



TABLE OF CONTENTS

	<u>Page</u>
Financial Statistics	1-2
Earnings Summary	3
Consolidating Statements of Income (Loss) by Segment	4-5
Quarterly Segment Operating Results Summary	6
Health Care and Group Insurance Enrollment	7
Consolidated Balance Sheets	8
Combining Balance Sheet	9-10

Financial Statistics
(\$ in Millions, except per common share data)

	Three Months Ended					Six Months Ended		
	June 30, 2002	June 30, 2001	March 31, 2002	Change June 30, 2002 - June 30, 2001	Change June 30, 2002 - March 31, 2002	June 30, 2002	June 30, 2001	Change June 30, 2002 - June 30, 2001
<u>Operating Results from Continuing Operations (1)</u>								
Operating Earnings (Loss)	\$ 91.3	\$ (95.9)	\$ 64.9	195.2 %	40.7 %	\$ 156.2	\$ (132.5)	217.9 %
Operating Earnings (Loss) per Common Share	\$ 0.59	\$ (0.67)	\$ 0.44	188.1 %	34.1 %	\$ 1.03	\$ (0.93)	210.8 %
Cash Operating Earnings (Loss) (2)	\$ 123.2	\$ (9.5)	\$ 96.9	1,396.8 %	27.1 %	\$ 220.1	\$ 40.3	446.2 %
Cash Operating Earnings (Loss) per Common Share	\$ 0.80	\$ (0.07)	\$ 0.65	1,242.9 %	23.1 %	\$ 1.46	\$ 0.28	421.4 %
<u>Pretax Operating Margin (3)</u>								
Aetna Inc.	4.2 %	0.3 %	3.2 %	3.9 pts.	1.0 pts.	3.7 %	1.0 %	2.7 pts.
Health Care	3.4 %	(0.9) %	2.4 %	4.3 pts.	1.0 pts.	2.9 %	(0.3) %	3.2 pts.
Group Insurance	12.2 %	13.4 %	11.1 %	(1.2) pts.	1.1 pts.	11.6 %	14.4 %	(2.8) pts.
Large Case Pensions	4.6 %	3.6 %	4.3 %	1.0 pts.	0.3 pts.	4.4 %	4.2 %	0.2 pts.
<u>After-tax Operating Margin (3)</u>								
Aetna Inc.	2.9 %	0.2 %	2.2 %	2.7 pts.	0.7 pts.	2.5 %	0.6 %	1.9 pts.
Health Care	2.3 %	(0.6) %	1.7 %	2.9 pts.	0.6 pts.	2.0 %	(0.2) %	2.2 pts.
Group Insurance	8.3 %	8.9 %	7.5 %	(0.6) pts.	0.8 pts.	7.9 %	9.6 %	(1.7) pts.
Large Case Pensions	3.0 %	2.3 %	2.6 %	0.7 pts.	0.4 pts.	2.8 %	2.7 %	0.1 pts.
<u>Operating Expenses as % of Revenue (4)</u>								
Aetna Inc.	21.1 %	17.5 %	20.4 %	3.6 pts.	0.7 pts.	20.8 %	17.5 %	3.3 pts.
Health Care	23.2 %	19.3 %	22.3 %	3.9 pts.	0.9 pts.	22.8 %	19.1 %	3.7 pts.
Group Insurance	10.2 %	10.7 %	10.5 %	(0.5) pts.	(0.3) pts.	10.4 %	10.2 %	0.2 pts.
Large Case Pensions	2.3 %	1.3 %	2.1 %	1.0 pts.	0.2 pts.	2.2 %	1.6 %	0.6 pts.
<u>Health Care Medical Cost Ratios (MCR) (5) (6)</u>								
Health Care Risk (7)	83.6 %	90.8 %	85.3 %	(7.2) pts.	(1.7) pts.	84.4 %	90.3 %	(5.9) pts.
Commercial Risk	83.6 %	90.0 %	85.7 %	(6.4) pts.	(2.1) pts.	84.7 %	89.6 %	(4.9) pts.
Commercial HMO	84.1 %	91.3 %	86.2 %	(7.2) pts.	(2.1) pts.	85.2 %	90.6 %	(5.4) pts.
Medicare HMO (7)	82.8 %	95.2 %	80.5 %	(12.4) pts.	2.3 pts.	81.6 %	94.5 %	(12.9) pts.

- (1) All operating results exclude other items, net realized capital gains or losses, income from discontinued operations and cumulative effect adjustments, in order to provide a comparison that the Company believes better reflects its underlying business performance. An itemization of other items excluded from operating results and reconciliation to operating results under generally accepted accounting principles for the three month periods shown is presented as a footnote table within the Company's second quarter 2002 press release.
- (2) Cash operating earnings (loss) are derived by adding back the amortization of goodwill and other acquired intangible assets to operating earnings (loss). Page 6 of this Supplement provides the information necessary to calculate cash operating results.
- (3) Pretax/After-tax Operating Margins are calculated by dividing pretax/after-tax operating earnings (loss) excluding other items, net realized capital gains or losses, interest expense and amortization of goodwill and other acquired intangible assets by total revenue excluding net realized capital gains or losses. Excluding favorable development of prior-period medical cost estimates, the Pretax Operating Margins for Aetna Inc. and Health Care are 3.0% and 1.9%, respectively, and the After-tax Operating Margins for Aetna Inc. and Health Care are 2.0% and 1.3 %, respectively, for the three months ended June 30, 2002.
- (4) Operating Expenses as a % of Revenue excludes other items.
- (5) Health Care Risk includes all medical and dental products. Commercial Risk includes all medical and dental risk products except Medicare and Medicaid. Commercial HMO includes all medical HMO products except Medicare and Medicaid.
- (6) Excluding favorable development of prior-period medical cost estimates, the Health Care Risk MCR is 85.3%, the Commercial Risk MCR is 85.1%, the Commercial HMO MCR is 86.1% and the Medicare HMO MCR is 86.8% for the three months ended June 30, 2002.
- (7) The three months ended June 30, 2001 excludes \$8.2 million pretax (\$5.3 million after tax) of favorable reserve developments related to Medicare markets the Company exited January 1, 2001. The six months ended June 30, 2001 excludes \$44.5 million pretax (\$29.0 million after tax) of unfavorable reserve developments related to these markets.

This document is supplemental to the Company's second quarter 2002 press release and should be read in conjunction therewith and in conjunction with the Company's June 30, 2002 Form 10-Q to be filed with the Securities and Exchange Commission. Please direct questions with respect to this material to Dennis Oakes, Vice President and Head of Investor Relations, Aetna Inc., 151 Farmington Avenue, RW3H, Hartford, Connecticut 06156. Telephone: 860-273-6184. Email: oakesd@aetna.com.

Financial Statistics (Continued)
(\$ in Millions)

	<u>Three Months Ended</u>					<u>Six Months Ended</u>		
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>March 31, 2002</u>	<u>Change June 30, 2002 - June 30, 2001</u>	<u>Change June 30, 2002 - March 31, 2002</u>	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change June 30, 2002 - June 30, 2001</u>
<u>Revenue by Segment (1)</u>								
Health Care	\$ 4,349.6	\$ 5,606.2	\$ 4,581.7	(22.4) %	(5.1) %	\$ 8,931.3	\$ 11,246.2	(20.6) %
Group Insurance	438.8	422.4	438.1	3.9 %	0.2 %	876.9	861.9	1.7 %
Large Case Pensions	230.4	445.8	239.5	(48.3) %	(3.8) %	469.9	760.5	(38.2) %
Total Revenues	<u>\$ 5,018.8</u>	<u>\$ 6,474.4</u>	<u>\$ 5,259.3</u>	(22.5) %	(4.6) %	<u>\$ 10,278.1</u>	<u>\$ 12,868.6</u>	(20.1) %
<u>Health Care Premiums</u>								
Health Care Risk (2)	\$ 3,817.5	\$ 5,040.8	\$ 4,044.8	(24.3) %	(5.6) %	\$ 7,862.3	\$ 10,108.5	(22.2) %
Commercial Risk (2)	\$ 3,557.4	\$ 4,474.8	\$ 3,766.3	(20.5) %	(5.5) %	\$ 7,323.7	\$ 8,980.6	(18.4) %
Commercial HMO (2)	\$ 2,769.3	\$ 3,614.6	\$ 2,951.5	(23.4) %	(6.2) %	\$ 5,720.8	\$ 7,243.3	(21.0) %
Medicare HMO	\$ 255.3	\$ 505.4	\$ 274.0	(49.5) %	(6.8) %	\$ 529.3	\$ 1,011.6	(47.7) %
<u>Net Investment Income by Segment</u>								
Health Care	\$ 74.4	\$ 99.1	\$ 75.8	(24.9) %	(1.8) %	\$ 150.2	\$ 207.1	(27.5) %
Group Insurance	68.9	69.7	66.1	(1.1) %	4.2 %	135.0	156.3	(13.6) %
Large Case Pensions	174.9	192.2	175.5	(9.0) %	(0.3) %	350.4	408.6	(14.2) %
Total Net Investment Income	<u>\$ 318.2</u>	<u>\$ 361.0</u>	<u>\$ 317.4</u>	(11.9) %	0.3 %	<u>\$ 635.6</u>	<u>\$ 772.0</u>	(17.7) %
<u>Health Care Costs Payable</u>	\$ 2,413.1	\$ 3,163.5	\$ 2,627.3					
<u>Days Claims Payable (3)</u>	68.8	63.0	68.6					

(1) Revenue excludes net realized capital gains or losses.

(2) Health Care Risk includes all medical and dental products. Commercial Risk includes all medical and dental risk products except Medicare and Medicaid. Commercial HMO includes all medical HMO products except Medicare and Medicaid.

(3) Days Claims Payable reflects the number of days of medical cost expense contained in Health Care Costs Payable, including the other item, associated with risk plans and is calculated based on actual number of days in each respective period.

Earnings Summary
Operating Earnings (Loss) (1)
(\$ in Millions, except share and per common share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Continuing operations				
Health Care before amortization of goodwill/other acquired intangible assets	\$ 100.2	\$ (35.4)	\$ 176.9	\$ (21.7)
Amortization of goodwill (2)	-	(48.8)	-	(97.6)
Amortization of other acquired intangible assets	(31.9)	(37.6)	(63.9)	(75.2)
Health Care	68.3	(121.8)	113.0	(194.5)
Group Insurance	36.3	37.6	69.3	82.8
Large Case Pensions	6.9	10.1	13.2	20.7
Corporate Interest Expense	(20.2)	(21.8)	(39.3)	(41.5)
Operating earnings (loss) from continuing operations	\$ 91.3	\$ (95.9)	\$ 156.2	\$ (132.5)
Weighted average common shares - basic (3)	148,908,828	142,668,243	146,960,876	143,022,897
Weighted average common shares and common share equivalents (3) (4)	154,831,692	144,203,024	151,256,715	145,937,588
Operating earnings (loss) from continuing operations per common share				
Excluding other items	\$.59	\$ (0.67)	\$ 1.03	\$ (0.93)
Including other items	\$.51	\$ (0.20)	\$ 1.08	\$ (0.70)

Net Income (Loss)
(\$ in Millions)

Operating earnings (loss) from continuing operations, before other items	\$ 91.3	\$ (95.9)	\$ 156.2	\$ (132.5)
Other items:				
Health Care Segment:				
Income tax reserve release (prior period related)	-	-	19.8	-
Severance and facilities charge	(17.5)	-	(17.5)	-
Favorable (unfavorable) reserve developments related to Medicare markets exited January 1, 2001	-	5.3	-	(29.0)
Large Case Pensions Segment:				
Reduction of reserve for anticipated future losses on discontinued products	5.4	61.4	5.4	61.4
Operating earnings (loss) from continuing operations including other items	79.2	(29.2)	163.9	(100.1)
Net realized capital gains	29.0	39.8	32.3	62.0
Income (loss) from continuing operations	108.2	10.6	196.2	(38.1)
Income from discontinued operations (5)	-	-	50.0	-
Income (loss) before cumulative effect adjustments	108.2	10.6	246.2	(38.1)
Cumulative effect adjustments (6)	-	-	(2,965.7)	0.5
Net income (loss)	\$ 108.2	\$ 10.6	\$ (2,719.5)	\$ (37.6)

(1) Excludes other items, net realized capital gains or losses, income from discontinued operations and cumulative effect adjustments.

(2) As a result of adopting the new accounting standard on goodwill and other intangible assets (per footnote (6) below), subsequent to January 1, 2002, goodwill is no longer amortized under FAS 142.

(3) During the six months ended June 30, 2001, the Company repurchased 2,600,000 common shares. The Company repurchased 2,120,431 common shares during the three and six months ended June 30, 2002.

(4) Since the Company reported a loss before cumulative effect adjustment for the six months ended June 30, 2001, the effect of common stock equivalents has been excluded from per common share computations for that period, as including such securities would be anti-dilutive.

(5) During the six months ended June 30, 2002, the Company released \$50.0 million of federal tax reserves resulting from the resolution of several Internal Revenue Service audit issues related to former Aetna's property and casualty business.

(6) For 2002, this relates to the adoption of a new accounting standard, *Goodwill and Other Intangible Assets* (FAS 142). For 2001, this relates to the adoption of *Accounting for Derivative Instruments and Hedging Activities* (FAS 133).

Consolidating Statements of Income (Loss) by Segment - Continuing Operations
(\$ in Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Three Months Ended June 30, 2002					
Revenue:					
Premiums	\$ 3,817.5	\$ 360.8	\$ 50.7	\$ -	\$ 4,229.0
Administrative services contract fees	454.4	8.2	-	-	462.6
Net investment income	74.4	68.9	174.9	-	318.2
Other income	3.3	.9	4.8	-	9.0
Total revenue, excluding net realized capital gains (losses)	<u>4,349.6</u>	<u>438.8</u>	<u>230.4</u>	<u>-</u>	<u>5,018.8</u>
Benefits and expenses:					
Health care costs	3,189.7	-	-	-	3,189.7
Current and future benefits	-	340.6	214.4	-	555.0
Operating expenses	1,010.7	44.8	5.4	-	1,060.9
Interest expense	-	-	-	31.2	31.2
Amortization of other acquired intangible assets	49.1	-	-	-	49.1
Total benefits and expenses	<u>4,249.5</u>	<u>385.4</u>	<u>219.8</u>	<u>31.2</u>	<u>4,885.9</u>
Operating earnings (loss) from continuing operations, excluding income taxes (benefits) and other items	100.1	53.4	10.6	(31.2)	132.9
Income taxes (benefits)	31.8	17.1	3.7	(11.0)	41.6
Operating earnings (loss) from continuing operations, excluding other items	<u>68.3</u>	<u>36.3</u>	<u>6.9</u>	<u>(20.2)</u>	<u>91.3</u>
Severance and facilities charge, net of tax	(17.5)	-	-	-	(17.5)
Reduction of reserve for anticipated future losses on discontinued products, net of tax	-	-	5.4	-	5.4
Operating earnings (loss) from continuing operations, including other items	<u>50.8</u>	<u>36.3</u>	<u>12.3</u>	<u>(20.2)</u>	<u>79.2</u>
Net realized capital gains (losses), net of tax	28.2	(1.5)	2.3	-	29.0
Income (loss) from continuing operations	<u>\$ 79.0</u>	<u>\$ 34.8</u>	<u>\$ 14.6</u>	<u>\$ (20.2)</u>	<u>\$ 108.2</u>
Three Months Ended June 30, 2001					
Revenue:					
Premiums	\$ 5,040.8	\$ 343.5	\$ 250.0	\$ -	\$ 5,634.3
Administrative services contract fees	457.7	8.2	-	-	465.9
Net investment income	99.1	69.7	192.2	-	361.0
Other income	8.6	1.0	3.6	-	13.2
Total revenue, excluding net realized capital gains (losses)	<u>5,606.2</u>	<u>422.4</u>	<u>445.8</u>	<u>-</u>	<u>6,474.4</u>
Benefits and expenses:					
Health care costs	4,575.0	-	-	-	4,575.0
Current and future benefits	-	320.5	423.9	-	744.4
Operating expenses	1,084.0	45.3	5.9	-	1,135.2
Interest expense	-	-	-	33.6	33.6
Amortization of goodwill and other acquired intangible assets	107.3	-	-	-	107.3
Total benefits and expenses	<u>5,766.3</u>	<u>365.8</u>	<u>429.8</u>	<u>33.6</u>	<u>6,595.5</u>
Operating earnings (loss) from continuing operations, excluding income taxes (benefits) and other items	(160.1)	56.6	16.0	(33.6)	(121.1)
Income taxes (benefits)	(38.3)	19.0	5.9	(11.8)	(25.2)
Operating earnings (loss) from continuing operations, excluding other items	<u>(121.8)</u>	<u>37.6</u>	<u>10.1</u>	<u>(21.8)</u>	<u>(95.9)</u>
Favorable reserve developments related to Medicare markets exited January 1, 2001, net of tax	5.3	-	-	-	5.3
Reduction of reserve for anticipated future losses on discontinued products, net of tax	-	-	61.4	-	61.4
Operating earnings (loss) from continuing operations, including other items	<u>(116.5)</u>	<u>37.6</u>	<u>71.5</u>	<u>(21.8)</u>	<u>(29.2)</u>
Net realized capital gains (losses), net of tax	45.1	(5.3)	-	-	39.8
Income (loss) from continuing operations	<u>\$ (71.4)</u>	<u>\$ 32.3</u>	<u>\$ 71.5</u>	<u>\$ (21.8)</u>	<u>\$ 10.6</u>

Consolidating Statements of Income (Loss) by Segment - Continuing Operations
(\$ in Millions)

	<u>Health Care</u>	<u>Group Insurance</u>	<u>Large Case Pensions</u>	<u>Corporate Interest</u>	<u>Consolidated</u>
Six Months Ended June 30, 2002					
Revenue:					
Premiums	\$ 7,862.3	\$ 723.4	\$ 110.0	\$ -	\$ 8,695.7
Administrative services contract fees	910.6	16.6	-	-	927.2
Net investment income	150.2	135.0	350.4	-	635.6
Other income	8.2	1.9	9.5	-	19.6
Total revenue, excluding net realized capital gains	<u>8,931.3</u>	<u>876.9</u>	<u>469.9</u>	<u>-</u>	<u>10,278.1</u>
Benefits and expenses:					
Health care costs	6,637.9	-	-	-	6,637.9
Current and future benefits	-	684.1	438.5	-	1,122.6
Operating expenses	2,032.2	90.9	10.5	-	2,133.6
Interest expense	-	-	-	60.5	60.5
Amortization of other acquired intangible assets	98.3	-	-	-	98.3
Total benefits and expenses	<u>8,768.4</u>	<u>775.0</u>	<u>449.0</u>	<u>60.5</u>	<u>10,052.9</u>
Operating earnings (loss) from continuing operations, excluding income taxes (benefits) and other items	162.9	101.9	20.9	(60.5)	225.2
Income taxes (benefits)	49.9	32.6	7.7	(21.2)	69.0
Operating earnings (loss) from continuing operations, excluding other items	<u>113.0</u>	<u>69.3</u>	<u>13.2</u>	<u>(39.3)</u>	<u>156.2</u>
Income tax reserve release (prior period related)	19.8	-	-	-	19.8
Severance and facilities charge, net of tax	(17.5)	-	-	-	(17.5)
Reduction of reserve for anticipated future losses on discontinued products, net of tax	-	-	5.4	-	5.4
Operating earnings (loss) from continuing operations, including other items	<u>115.3</u>	<u>69.3</u>	<u>18.6</u>	<u>(39.3)</u>	<u>163.9</u>
Net realized capital gains, net of tax	30.7	.2	1.4	-	32.3
Income (loss) from continuing operations	<u>\$ 146.0</u>	<u>\$ 69.5</u>	<u>\$ 20.0</u>	<u>\$ (39.3)</u>	<u>\$ 196.2</u>
Six Months Ended June 30, 2001					
Revenue:					
Premiums	\$ 10,108.5	\$ 686.9	\$ 341.3	\$ -	\$ 11,136.7
Administrative services contract fees	915.8	16.7	-	-	932.5
Net investment income	207.1	156.3	408.6	-	772.0
Other income	14.8	2.0	10.6	-	27.4
Total revenue, excluding net realized capital gains (losses)	<u>11,246.2</u>	<u>861.9</u>	<u>760.5</u>	<u>-</u>	<u>12,868.6</u>
Benefits and expenses:					
Health care costs	9,126.5	-	-	-	9,126.5
Current and future benefits	-	649.8	715.9	-	1,365.7
Operating expenses	2,149.5	87.6	12.3	-	2,249.4
Interest expense	-	-	-	63.9	63.9
Amortization of goodwill and other acquired intangible assets	214.5	-	-	-	214.5
Total benefits and expenses	<u>11,490.5</u>	<u>737.4</u>	<u>728.2</u>	<u>63.9</u>	<u>13,020.0</u>
Operating earnings (loss) from continuing operations, excluding income taxes (benefits) and other items	(244.3)	124.5	32.3	(63.9)	(151.4)
Income taxes (benefits)	(49.8)	41.7	11.6	(22.4)	(18.9)
Operating earnings (loss) from continuing operations, excluding other items	<u>(194.5)</u>	<u>82.8</u>	<u>20.7</u>	<u>(41.5)</u>	<u>(132.5)</u>
Unfavorable reserve developments related to Medicare markets exited January 1, 2001, net of tax	(29.0)	-	-	-	(29.0)
Reduction of reserve for anticipated future losses on discontinued products, net of tax	-	-	61.4	-	61.4
Operating earnings (loss) from continuing operations, including other items	<u>(223.5)</u>	<u>82.8</u>	<u>82.1</u>	<u>(41.5)</u>	<u>(100.1)</u>
Net realized capital gains (losses), net of tax	59.9	2.9	(.8)	-	62.0
Income (loss) from continuing operations	<u>\$ (163.6)</u>	<u>\$ 85.7</u>	<u>\$ 81.3</u>	<u>\$ (41.5)</u>	<u>\$ (38.1)</u>

Quarterly Segment Operating Results Summary - FAS 142 Comparative Basis (1)
(\$ in Millions, except per share data)

REPORTED	Three Months Ended			Six Months Ended	
	June 30, 2002	June 30, 2001	March 31, 2002	June 30, 2002	June 30, 2001
Health Care before amortization of goodwill/other acquired intangible assets	\$ 100.2	\$ (35.4)	\$ 76.7	\$ 176.9	\$ (21.7)
Amortization of goodwill	-	(48.8)	-	-	(97.6)
Amortization of other acquired intangible assets	(31.9)	(37.6)	(32.0)	(63.9)	(75.2)
Health Care	68.3	(121.8)	44.7	113.0	(194.5)
Group Insurance	36.3	37.6	33.0	69.3	82.8
Large Case Pensions	6.9	10.1	6.3	13.2	20.7
Corporate Interest Expense	(20.2)	(21.8)	(19.1)	(39.3)	(41.5)
Operating earnings (loss) from continuing operations	\$ 91.3	\$ (95.9)	\$ 64.9	\$ 156.2	\$ (132.5)
Cash operating earnings (loss)	\$ 123.2	\$ (9.5)	\$ 96.9	\$ 220.1	\$ 40.3
Operating earnings (loss) per share:					
Operating earnings (loss) from continuing operations	\$ 0.59	\$ (0.67)	\$ 0.44	\$ 1.03	\$ (0.93)
Cash operating earnings (loss)	\$ 0.80	\$ (0.07)	\$ 0.65	\$ 1.46	\$ 0.28
ADJUSTED	Three Months Ended			Six Months Ended	
	June 30, 2002	June 30, 2001	March 31, 2002	June 30, 2002	June 30, 2001
Health Care before amortization of other acquired intangible assets	\$ 100.2	\$ (35.4)	\$ 76.7	\$ 176.9	\$ (21.7)
Amortization of other acquired intangible assets (2)	(31.9)	(34.8)	(32.0)	(63.9)	(69.6)
Health Care	68.3	(70.2)	44.7	113.0	(91.3)
Group Insurance	36.3	37.6	33.0	69.3	82.8
Large Case Pensions	6.9	10.1	6.3	13.2	20.7
Corporate Interest Expense	(20.2)	(21.8)	(19.1)	(39.3)	(41.5)
Operating earnings (loss) from continuing operations	\$ 91.3	\$ (44.3)	\$ 64.9	\$ 156.2	\$ (29.3)
Cash operating earnings (loss)	\$ 123.2	\$ (9.5)	\$ 96.9	\$ 220.1	\$ 40.3
Operating earnings (loss) per share:					
Operating earnings (loss) from continuing operations	\$ 0.59	\$ (0.31)	\$ 0.44	\$ 1.03	\$ (0.20)
Cash operating earnings (loss)	\$ 0.80	\$ (0.07)	\$ 0.65	\$ 1.46	\$ 0.28
Shares for calculation:					
Weighted average common shares - basic	148,908,828	142,668,243	144,980,117	146,960,876	143,022,897
Weighted average common shares - diluted	154,831,692	144,203,024	148,800,140	151,256,715	145,937,588

(1) Excludes other items, net realized capital gains or losses, income from discontinued operations and cumulative effect adjustments.

(2) Reflects reclassification of workforce intangible asset to goodwill upon adoption of FAS 142.

Health Care and Group Insurance Enrollment
(Thousands)

Products:	June 30, 2002			June 30, 2001			Risk % Change	Total % Change	December 31, 2001			Risk % Change	Total % Change
	Risk (1)	ASC (2)	Total	Risk (1)	ASC (2)	Total			Risk (1)	ASC (2)	Total		
Commercial													
HMO (3)	4,535	1,340	5,875	7,296	1,058	8,354	(37.8)	(29.7)	6,712	1,086	7,798	(32.4)	(24.7)
POS	116	2,546	2,662	196	2,915	3,111	(40.8)	(14.4)	183	2,820	3,003	(36.6)	(11.4)
PPO	769	3,180	3,949	936	3,188	4,124	(17.8)	(4.2)	907	3,168	4,075	(15.2)	(3.1)
Indemnity	117	1,546	1,663	220	1,752	1,972	(46.8)	(15.7)	204	1,691	1,895	(42.6)	(12.2)
Total Commercial Membership	5,537	8,612	14,149	8,648	8,913	17,561	(36.0)	(19.4)	8,006	8,765	16,771	(30.8)	(15.6)
Medicare HMO	125	-	125	279	-	279	(55.2)	(55.2)	255	-	255	(51.0)	(51.0)
Medicaid HMO	11	164	175	140	104	244	(92.1)	(28.3)	15	129	144	(26.7)	21.5
Total Health Care Membership	5,673	8,776	14,449	9,067	9,017	18,084	(37.4)	(20.1)	8,276	8,894	17,170	(31.5)	(15.8)
Dental	4,707	7,162	11,869	6,060	7,866	13,926	(22.3)	(14.8)	5,704	7,755	13,459	(17.5)	(11.8)
Group Insurance													
Group Life			9,577			9,339		2.5			9,211		4.0
Disability			2,289			2,231		2.6			2,140		7.0
Long-Term Care			177			127		39.4			129		37.2
Total Group Insurance			12,043			11,697		3.0			11,480		4.9

Regions:	June 30, 2002			June 30, 2001 (4)			Risk % Change	Total % Change	December 31, 2001			Risk % Change	Total % Change
	Risk (1)	ASC (2)	Total	Risk (1)	ASC (2)	Total			Risk (1)	ASC (2)	Total		
Northeast	1,218	1,258	2,476	1,926	1,298	3,224	(36.8)	(23.2)	1,709	1,275	2,984	(28.7)	(17.0)
Mid-Atlantic	1,001	1,514	2,515	1,675	1,530	3,205	(40.2)	(21.5)	1,512	1,491	3,003	(33.8)	(16.3)
Southeast	940	1,412	2,352	1,463	1,493	2,956	(35.7)	(20.4)	1,373	1,443	2,816	(31.5)	(16.5)
North Central	609	2,045	2,654	1,197	2,206	3,403	(49.1)	(22.0)	1,065	2,165	3,230	(42.8)	(17.8)
Southwest	766	1,319	2,085	1,298	1,198	2,496	(41.0)	(16.5)	1,179	1,228	2,407	(35.0)	(13.4)
West	1,070	1,222	2,292	1,444	1,292	2,736	(25.9)	(16.2)	1,365	1,286	2,651	(21.6)	(13.5)
Other	69	6	75	64	-	64	7.8	17.2	73	6	79	(5.5)	(5.1)
Total Health Care Membership	5,673	8,776	14,449	9,067	9,017	18,084	(37.4)	(20.1)	8,276	8,894	17,170	(31.5)	(15.8)
Risk/ASC %	39.3%	60.7%	100.0%	50.1%	49.9%	100.0%	(10.8) pts.		48.2%	51.8%	100.0%	(8.9) pts.	

- (1) Risk includes all medical and dental products for which the Company assumes all or a majority of health care cost, utilization, mortality, morbidity, or other risk.
- (2) Administrative Services Contracts ("ASC") include all medical and dental products offered on an employer-funded basis. Under employer-funded plans, the plan sponsor, not the Company, assumes all or a majority of health care cost, utilization, mortality, morbidity, or other risk.
- (3) At June 30, 2002, Commercial HMO includes 1,142 thousand POS members who access primary care physicians and referred care through an HMO network. There were 1,475 thousand such members at December 31, 2001 and 1,737 thousand at June 30, 2001.
- (4) June 30, 2001 has been reclassified to conform to the six region view.

Consolidated Balance Sheets
(\$ in Millions)

	June 30, 2002	December 31, 2001 (1)		June 30, 2002	December 31, 2001 (1)
Assets				Liabilities and Shareholders' Equity	
Current assets:				Current liabilities:	
Cash and cash equivalents	\$ 1,375.4	\$ 1,398.2		Health care costs payable	\$ 2,413.1
Investment securities	13,596.0	14,260.1		Future policy benefits	797.9
Other investments	496.2	171.7		Unpaid claims	554.9
Premiums receivable, net	452.8	572.7		Unearned premiums	130.7
Other receivables, net	444.2	528.0		Policyholders' funds	989.8
Accrued investment income	223.6	232.3		Collateral payable under securities loan agreements	713.3
Collateral received under securities loan agreements	713.3	621.7		Short-term debt	-
Loaned securities	697.6	608.1		Income taxes payable	92.9
Deferred income taxes	118.5	114.1		Accrued expenses and other liabilities	1,540.8
Other current assets	151.3	185.9		Total current liabilities	7,233.4
Total current assets	18,268.9	18,692.8			
				Future policy benefits	8,486.6
Long-term investments	1,762.5	1,575.6		Unpaid claims	1,215.4
Mortgage loans	1,608.5	1,887.8		Policyholders' funds	2,060.9
Investment real estate	332.2	359.7		Long-term debt	1,603.0
Reinsurance recoverables	1,249.4	1,269.7		Other long-term liabilities	321.4
Goodwill, net	3,618.4	6,583.8		Separate accounts liabilities	10,792.2
Other acquired intangible assets, net	579.4	703.0		Total liabilities	31,712.9
Property and equipment, net	292.1	327.0			
Deferred income taxes	397.5	360.5		Shareholders' Equity	
Other long-term assets	159.0	146.8		Common stock and additional paid-in capital	4,077.6
Separate accounts assets	10,792.2	11,290.0		Accumulated other comprehensive income (2)	81.1
				Retained earnings	3,188.5
				Total shareholders' equity	7,347.2
Total assets	\$ 39,060.1	\$ 43,196.7		Total liabilities and shareholders' equity	\$ 39,060.1

(1) Certain reclassifications have been made to the 2001 financial information to conform to the 2002 presentation.

(2) Includes net unrealized capital gains related to FAS No. 115 of \$78.0 million and \$66.6 million at June 30, 2002 and December 31, 2001, respectively.

Combining Balance Sheet
June 30, 2002
(\$ in Millions)

	Health Care and Group Insurance	Large Case Pensions	Total		Health Care and Group Insurance	Large Case Pensions	Total
Assets							
Current assets:				Liabilities and Equity			
Cash and cash equivalents	\$ 1,191.1	\$ 184.3	\$ 1,375.4	Current liabilities:			
Investment securities	7,035.8	6,560.2	13,596.0	Health care costs payable	\$ 2,413.1	\$ -	\$ 2,413.1
Other investments	175.4	320.8	496.2	Future policy benefits	83.8	714.1	797.9
Premiums receivable, net	452.8	-	452.8	Unpaid claims	554.5	0.4	554.9
Other receivables, net	387.6	56.6	444.2	Unearned premiums	121.8	8.9	130.7
Accrued investment income	95.0	128.6	223.6	Policyholders' funds	326.7	663.1	989.8
Collateral received under securities loan agreements	369.8	343.5	713.3	Collateral payable under securities loan agreements	369.8	343.5	713.3
Loaned securities	335.8	361.8	697.6	Short-term debt	-	-	-
Deferred income taxes	119.5	(1.0)	118.5	Income taxes payable	91.1	1.8	92.9
Other current assets	135.7	15.6	151.3	Accrued expenses and other liabilities	<u>1,264.2</u>	<u>276.6</u>	<u>1,540.8</u>
Total current assets	<u>10,298.5</u>	<u>7,970.4</u>	<u>18,268.9</u>	Total current liabilities	<u>5,225.0</u>	<u>2,008.4</u>	<u>7,233.4</u>
Long-term investments	1,165.6	596.9	1,762.5	Future policy benefits	1,899.0	6,587.6	8,486.6
Mortgage loans	527.8	1,080.7	1,608.5	Unpaid claims	1,215.4	-	1,215.4
Investment real estate	163.1	169.1	332.2	Policyholders' funds	725.8	1,335.1	2,060.9
Reinsurance recoverables	1,229.9	19.5	1,249.4	Long-term debt	1,603.0	-	1,603.0
Goodwill, net	3,618.4	-	3,618.4	Other long-term liabilities	301.6	19.8	321.4
Other acquired intangible assets, net	579.4	-	579.4	Separate accounts liabilities	<u>10.4</u>	<u>10,781.8</u>	<u>10,792.2</u>
Property and equipment, net	109.0	183.1	292.1	Total liabilities	<u>10,980.2</u>	<u>20,732.7</u>	<u>31,712.9</u>
Deferred income taxes	213.2	184.3	397.5	Equity			
Other long-term assets	159.0	-	159.0	Total equity	<u>7,094.1</u>	<u>253.1</u>	<u>7,347.2</u>
Separate accounts assets	<u>10.4</u>	<u>10,781.8</u>	<u>10,792.2</u>	Total liabilities and equity	<u>\$ 18,074.3</u>	<u>\$ 20,985.8</u>	<u>\$ 39,060.1</u>
Total assets	<u>\$ 18,074.3</u>	<u>\$ 20,985.8</u>	<u>\$ 39,060.1</u>				

Combining Balance Sheet
December 31, 2001 (1)
(\$ in Millions)

	Health Care and Group Insurance	Large Case Pensions	Total		Health Care and Group Insurance	Large Case Pensions	Total
Assets							
Current assets:				Liabilities and Equity			
Cash and cash equivalents	\$ 1,198.1	\$ 200.1	\$ 1,398.2	Current liabilities:			
Investment securities	7,313.4	6,946.7	14,260.1	Health care costs payable	\$ 2,986.7	\$ -	\$ 2,986.7
Other investments	13.9	157.8	171.7	Future policy benefits	83.1	717.4	800.5
Premiums receivable, net	572.7	-	572.7	Unpaid claims	543.4	1.0	544.4
Other receivables, net	426.2	101.8	528.0	Unearned premiums	201.4	6.6	208.0
Accrued investment income	97.8	134.5	232.3	Policyholders' funds	280.7	772.1	1,052.8
Collateral received under securities loan agreements	317.0	304.7	621.7	Collateral payable under securities loan agreements	317.0	304.7	621.7
Loaned securities	310.4	297.7	608.1	Short-term debt	109.7	-	109.7
Deferred income taxes	113.6	0.5	114.1	Income taxes payable	164.2	(16.8)	147.4
Other current assets	165.4	20.5	185.9	Accrued expenses and other liabilities	<u>1,306.1</u>	<u>284.5</u>	<u>1,590.6</u>
Total current assets	<u>10,528.5</u>	<u>8,164.3</u>	<u>18,692.8</u>	Total current liabilities	5,992.3	2,069.5	8,061.8
Long-term investments	1,006.8	568.8	1,575.6	Future policy benefits	1,901.6	6,719.9	8,621.5
Mortgage loans	564.8	1,323.0	1,887.8	Unpaid claims	1,203.6	-	1,203.6
Investment real estate	178.2	181.5	359.7	Policyholders' funds	734.9	1,510.2	2,245.1
Reinsurance recoverables	1,248.3	21.4	1,269.7	Long-term debt	1,591.3	-	1,591.3
Goodwill, net	6,583.8	-	6,583.8	Other long-term liabilities	274.2	18.9	293.1
Other acquired intangible assets, net	703.0	-	703.0	Separate accounts liabilities	<u>10.1</u>	<u>11,279.9</u>	<u>11,290.0</u>
Property and equipment, net	119.6	207.4	327.0	Total liabilities	<u>11,708.0</u>	<u>21,598.4</u>	<u>33,306.4</u>
Deferred income taxes	187.0	173.5	360.5	Equity			
Other long-term assets	146.8	-	146.8	Total equity	<u>9,568.9</u>	<u>321.4</u>	<u>9,890.3</u>
Separate accounts assets	<u>10.1</u>	<u>11,279.9</u>	<u>11,290.0</u>	Total liabilities and equity	<u>\$ 21,276.9</u>	<u>\$ 21,919.8</u>	<u>\$ 43,196.7</u>
Total assets	<u>\$ 21,276.9</u>	<u>\$ 21,919.8</u>	<u>\$ 43,196.7</u>				

(1) Certain reclassifications have been made to the 2001 financial information to conform to the 2002 presentation.