

Cigna Specialty Pharmacy Management. Cigna's administered medical and pharmacy coverage can meet the needs of customers with complex conditions that require specialty pharmaceuticals. These types of medications are covered under both pharmacy and medical benefits and can be expensive, often requiring associated lab work and administration by a health care professional. Therefore, coordination is critical in improving affordability and outcomes. Clients with Cigna-administered medical and pharmacy coverage benefit from continuity of care, integrated reporting, and aggressive unit cost discounts on all specialty drugs – regardless of where they are administered.

Cigna Home Delivery Pharmacy. Cigna also offers cost-effective mail order, telephone and on-line pharmaceutical fulfillment services through its home delivery operation. Cigna Home Delivery Pharmacy provides a high-quality, efficient home delivery pharmacy distinguished by individual care relating to compliance and specialty medications. Orders may be submitted through the mail, via phone or through the internet at myCigna.com.

Dental and Vision

Dental. Cigna Dental Health offers a variety of dental care products including dental health maintenance organization plans ("Dental HMO"), dental preferred provider organization ("Dental PPO") plans, dental exclusive provider organization plans, traditional dental indemnity plans and a dental discount program. Employers and other groups can purchase Cigna Dental Health products as stand-alone products or integrated with Global Health Care's medical products. Additionally, individual customers can purchase Dental PPO plans in conjunction with individual medical policies. As of December 31, 2012, Cigna Dental Health customers totaled approximately 11.4 million. Most of these customers are in self-insured plans. All of Cigna's Dental HMO customers participate in guaranteed cost insured plans. Managed dental care products are offered in 37 states for Dental HMO and 42 states and the District of Columbia for Dental PPO through a network of independent health care professionals that have contracted with Cigna Dental Health to provide dental services.

Cigna Dental Health customers access care from one of the largest dental PPO networks and dental HMO networks in the U.S., with approximately 266,400 Dental PPO-contracted access points (approximately 99,200 unique health care professionals) and approximately 68,600 Dental HMO-contracted access points (approximately 18,000 unique health care professionals).

Cigna Dental Health stresses preventive dentistry; it believes that promoting preventive care contributes to a healthier workforce, an improved quality of life, increased productivity and fewer treatment claims and associated costs over time. Cigna Dental Health offers customers a dental treatment cost estimator to educate customers on oral health and aid them in their dental health care decision-making.

Vision. Cigna Vision offers flexible, cost-effective PPO coverage that includes a range of both in and out-of-network benefits for routine vision services. Cigna's national vision care network, which consists of approximately 57,500 health care professionals in approximately 23,500 locations, includes private practice ophthalmologist and

optometrist offices, as well as retail eye care centers. Routine vision products are offered in conjunction with Global Health Care's medical and dental product offerings.

Funding Arrangements

The segment's commercial medical products and services are offered through the following funding arrangements:

- Administrative Services Only (80% of commercial medical customers);
- Insured – Guaranteed Cost (14% of commercial medical customers); and
- Insured – Shared ReturnsSM (6% of commercial medical customers).

Administrative Services Only. Global Health Care contracts with employers, unions and other groups sponsoring self-insured plans on an administrative services only ("ASO") basis to administer claims and perform other plan related services. The key features of an ASO funding arrangement are:

- Global Health Care collects administrative service fees in exchange for providing these self-insured plans with access to Global Health Care's applicable participating provider network and for providing other services and programs including: claim administration; quality management; utilization management; cost containment; health advocacy; 24-hour help line; 24/7 call center; case management; disease management; pharmacy benefit management; behavioral health care management services (through its provider networks); or any combination of these services.
- The self-insured plan sponsor is responsible for self-funding all claims, but may purchase stop loss insurance from Global Health Care or other insurers for claims in excess of a predetermined amount, for either individuals ("specific"), the entire group ("aggregate"), or both.
- In some cases, Global Health Care provides performance guarantees associated with meeting certain service standards, clinical outcomes, or financial metrics. If these service standards, clinical outcomes, or financial metrics are not met, Global Health Care may be financially at risk up to a stated percentage of the contracted fee or a stated dollar amount. Global Health Care does not recognize revenues for estimated payouts associated with these guarantees. See Note 2 to the Consolidated Financial Statements for details regarding these guarantees.

Insured – Guaranteed Cost. Charges to policyholders under an insured, guaranteed cost policy are established at the beginning of the policy period and are not adjusted to reflect actual claim experience during the policy period. Accordingly, Global Health Care bears the risk for claims and costs. Generally, guaranteed cost policyholder groups are smaller than retrospectively experience-rated groups; accordingly, claim and expense assumptions may be based in whole or in part on prior experience of the policyholder or on a pool of accounts, depending on the policyholder's size and the statistical credibility of the experience.