Cigna Corporation

Quarterly Financial Supplement
December 31, 2021

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Cigna Corporation
December 31, 2021 Quarterly Financial Supplement
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BASIS OF PRESENTATION:

All dollar amounts are in millions, unless otherwise noted.

Cigna measures its financial results on a consolidated basis using adjusted income from operations and adjusted revenues. Adjusted income from operations and adjusted revenues on a consolidated basis are not determined in accordance with accounting principles generally accepted in the United States of America ("GAAP") and should not be viewed as a substitute for the most directly comparable GAAP measures which are shareholders' net income and total revenues. Cigna also uses adjusted income (loss) from operations to measure the results of its segments, however the segment metric is determined before income taxes.

Adjusted income (loss) from operations is a principal financial measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income. The Company defines adjusted income from operations as shareholders' net income (or income before income taxes for the segment metric) excluding net realized investment results, amortization of acquired intangible assets and special items. Cigna's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting are also excluded. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results. Consolidated adjusted income (loss) from operations is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders' net income. See the Financial Highlights page for a reconciliation of consolidated adjusted income from operations to shareholders' net income.

Adjusted revenues is used by Cigna's management because it permits analysis of trends in underlying revenue. The Company defines adjusted revenues as total revenues excluding the following adjustments: special items and Cigna's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business. Adjusted revenues is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, total revenues. See the Financial Highlights page for a reconciliation of consolidated adjusted revenues to total revenues.

Beginning first quarter 2021, "Corporate and Other Operations" in this Quarterly Financial Supplement combines the results previously reported as "Corporate" and the segment previously reported as "Group Disability and Other". This change to simplify reporting was enabled by the sale of the Group Disability and Life business during the fourth quarter of 2020.

We entered into a definitive agreement in October 2021 to sell our life, accident and supplemental benefits businesses in Hong Kong, Indonesia, New Zealand, South Korea, Taiwan, Thailand and our interest in a joint venture in Turkey to Chubb INA Holdings, Inc. (the "Chubb Transaction"). Subject to applicable regulatory approvals and customary closing conditions, we expect to complete this transaction in the second quarter of 2022. In connection with the pending Chubb Transaction, we revised our business structure. As such, we adjusted our segment reporting effective in the fourth quarter of 2021 so that the results previously reported in the International Markets segment are now reported as follows:

- *The businesses to be retained by Cigna are reported in the newly created International Health operating segment that will be aggregated with our existing U.S. Commercial and U.S. Government operating segments in the renamed Cigna Healthcare reporting segment (previously named U.S. Medical).*
- *The businesses to be sold pursuant to the Chubb Transaction are reported in Other Operations.*

Segment results for the three months and the year ended December 31, 2020 have been restated to conform to the new segment presentation. See Cigna's Current Report on Form 8-K filed on January 24, 2022 for additional information.

In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present "N/M" in place of the computed percentage.

Cigna Corporation
Financial Highlights (unaudited)

(Dollars in millions, except per share amounts)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Total revenues	$ 45,688	$ 41,712	10 %	$ 174,078	$ 160,401	9 %
Net realized investment results from certain equity method investments	(12)	(43)	72	—	(130)	N/M
Special item related to contractual adjustment for a former client	—	—	N/M	—	(204)	N/M
Adjusted revenues	$ 45,676	$ 41,669	10 %	$ 174,078	$ 160,067	9 %
Shareholders' net income	$ 1,116	$ 4,135	(73) %	$ 5,365	$ 8,458	(37) %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth	$ 1,634	$ 1,589	3 %	$ 5,818	$ 5,363	8 %
Cigna Healthcare [1]	472	285	66	3,609	4,031	(10)
Corporate and Other Operations [1]	(115)	(236)	51	(450)	(586)	23
Consolidated pre-tax adjusted income from operations	$ 1,991	$ 1,638	22 %	$ 8,977	$ 8,808	2 %
Adjusted income tax expense	419	371	13	1,997	2,013	(1)
Consolidated after-tax adjusted income from operations	$ 1,572	$ 1,267	24 %	$ 6,980	$ 6,795	3 %
Diluted earnings per share						
Shareholders' net income	$ 3.39	$ 11.45	(70) %	$ 15.73	$ 22.96	(31) %
After-tax adjustments to reconcile to adjusted income from operations						
Net realized investment (gains) losses [2]	(0.18)	(0.47)		(0.46)	(0.66)	
Amortization of acquired intangible assets	0.99	1.03		4.38	3.88	
Special items						
Charge for organizational efficiency plan	0.36	—		0.35	0.07	
Debt extinguishment costs	—	—		0.32	0.41	
Integration and transaction-related (benefits) costs	0.21	0.41		0.21	1.10	
(Benefits) charges associated with litigation matters	—	—		(0.06)	0.05	
Risk corridors recovery	—	—		—	(0.21)	
Contractual adjustment for a former client	—	—		—	(0.42)	
(Gain) on sale of business	—	(8.91)		—	(8.73)	
Total special items	0.57	(8.50)		0.82	(7.73)	
Adjusted income from operations	$ 4.77	$ 3.51	36 %	$ 20.47	$ 18.45	11 %
Weighted average shares (in thousands)	329,641	361,115		340,966	368,389	
Adjusted EBITDA [3]	$ 2,530	$ 2,196	15 %	$ 11,118	$ 11,072	— %
Operating cash flow (see page 11)	$ 4,275	$ 4,294	— %	$ 7,191	$ 10,350	(31) %
SG&A expense ratio [4]	7.4 %	9.1 %	170 bps	7.3 %	8.5 %	120 bps

CUSTOMER RELATIONSHIPS	As of December 31,		
(Relationships, lives and policies in thousands)	2021	2020	% Change
Pharmacy [5]	107,298	98,850	9 %
Medical (see page 7) [6]	17,081	16,650	3
Behavioral Care	40,380	36,908	9
Dental	17,731	17,542	1
Medicare Part D	3,182	3,291	(3)
Total customer relationships [6]	185,672	173,241	7 %

(1) Amounts for the three months and year ended December 31, 2020 have been restated to reflect updated segment reporting. See Basis of Presentation section for further description of this change.

(2) Includes the Company's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

(3) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(4) SG&A expense ratio is calculated as follows: Cigna's total selling, general and administrative expenses excluding special items divided by Cigna's consolidated adjusted revenues.

(5) Effective January 1, 2021, Pharmacy lives have been updated to reflect actual eligibility data for benefits provided to Prime Therapeutics. Previously these lives had been estimated based on prescriptions filled during the period. Pharmacy lives for December 31, 2020 have been restated to reflect this change.

(6) Policies issued by the international businesses to be sold pursuant to the Chubb Transaction have been excluded from this table.

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Revenues						
Pharmacy revenues	$ 32,328	$ 28,305	14 %	$ 121,413	$ 107,769	13 %
Premiums	10,342	10,699	(3)	41,154	42,627	(3)
Fees and other revenues	2,638	2,337	13	9,962	8,761	14
Net investment income	380	371	2	1,549	1,244	25
Total revenues	45,688	41,712	10	174,078	160,401	9
Benefits and expenses						
Pharmacy and other service costs	31,247	27,059	15	117,553	103,484	14
Medical costs and other benefit expenses	8,743	8,847	(1)	33,562	32,710	3
Selling, general and administrative expenses excluding special items	3,383	3,778	(10)	12,720	13,590	(6)
Amortization of acquired intangible assets	499	495	1	1,998	1,982	1
Special items	279	188	48	310	482	(36)
Total benefits and expenses	44,151	40,367	9	166,143	152,248	9
Income from operations	1,537	1,345	14	7,935	8,153	(3)
Interest expense and other	(293)	(337)	13	(1,208)	(1,438)	16
Debt extinguishment costs	—	—	N/M	(141)	(199)	29
Gain (loss) on sale of business	—	4,203	N/M	—	4,203	N/M
Net realized investment gains (losses)	68	167	(59)	196	149	32
Income before income taxes	1,312	5,378	(76)	6,782	10,868	(38)
Total income taxes	179	1,236	(86)	1,367	2,379	(43)
Net income	1,133	4,142	(73)	5,415	8,489	(36)
Less: Net income attributable to noncontrolling interests	17	7	143	50	31	61
Shareholders' net income	1,116	4,135	(73)	5,365	8,458	(37)
After-tax adjustments to reconcile adjusted income from operations						
Net realized investment (gains) losses [(1)]	(59)	(169)		(158)	(244)	
Amortization of acquired intangible assets	326	370		1,494	1,431	
Special items						
Charge for organizational efficiency plan	119	—		119	24	
Debt extinguishment costs	—	—		110	151	
Integration and transaction-related (benefits) costs	70	148		71	404	
(Benefits) charges associated with litigation matters	—	—		(21)	19	
Risk corridors recovery	—	—		—	(76)	
Contractual adjustment for a former client	—	—		—	(155)	
(Gain) on sale of business	—	(3,217)		—	(3,217)	
Adjusted income from operations	$ 1,572	$ 1,267	24 %	$ 6,980	$ 6,795	3 %

(1) Includes the Company's share of certain realized investment results of its joint ventures reported in the Cigna Healthcare segment using the equity method of accounting.

Cigna Corporation
Evernorth
Segment Results (unaudited)

(Dollars in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Revenues						
Pharmacy revenues	$ 33,400	$ 29,234	14 %	$ 125,811	$ 111,674	13 %
Fees and other revenues	1,681	1,297	30	6,084	4,628	31
Net investment income	5	2	150	17	32	(47)
Total revenues	35,086	30,533	15	131,912	116,334	13
Benefits and expenses						
Pharmacy and other service costs	32,757	28,325	16	123,504	108,537	14
Gross profit	2,329	2,208	5	8,408	7,797	8
Selling, general and administrative expenses	685	613	12	2,558	2,211	16
Amortization of acquired intangible assets	488	478	2	1,937	1,917	1
Income from operations	1,156	1,117	3	3,913	3,669	7
Interest expense and other	—	(1)	N/M	(1)	(2)	50
Net realized investment gains (losses)	—	17	N/M	(4)	17	N/M
Income before income taxes	1,156	1,133	2	3,908	3,684	6
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(10)	(5)		(31)	(17)	
Net realized investment (gains) losses	—	(17)		4	(17)	
Amortization of acquired intangible assets	488	478		1,937	1,917	
Special items	—	—		—	(204)	
Pre-tax adjusted income from operations	$ 1,634	$ 1,589	3 %	$ 5,818	$ 5,363	8 %
Pre-tax adjusted margin	4.7 %	5.2 %	(50) bps	4.4 %	4.6 %	(20) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	$ 35,086	$ 30,533	15 %	$ 131,912	$ 116,334	13 %
Special item related to contractual adjustment for a former client	—	—	N/M	—	(204)	N/M
Adjusted revenues	$ 35,086	$ 30,533	15 %	$ 131,912	$ 116,130	14 %

Cigna Corporation
Evernorth
Key Metrics (unaudited)

(Dollars and adjusted scripts in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Selected Financial Information [1]						
Adjusted EBITDA [2]	$ 1,741	$ 1,675	4 %	$ 6,197	$ 5,682	9 %
Pharmacy revenue by distribution channel [1]						
Adjusted network revenues	$ 17,200	$ 15,002	15 %	$ 64,992	$ 56,181	16 %
Adjusted home delivery and specialty revenues	14,480	12,775	13	54,391	49,886	9
Other revenues	1,720	1,457	18	6,428	5,403	19
Total adjusted pharmacy revenues	$ 33,400	$ 29,234	14 %	$ 125,811	$ 111,470	13 %
Pharmacy script volume						
Adjusted network scripts [3]	353	316	12 %	1,355	1,206	12 %
Adjusted home delivery and specialty scripts [3]	71	72	(1)	283	287	(1)
Total adjusted scripts [3]	424	388	9 %	1,638	1,493	10 %
Generic fill rate						
Network	82.9 %	86.1 %	(320) bps	85.4 %	87.4 %	(200) bps
Home delivery	86.0 %	85.7 %	30 bps	85.9 %	85.2 %	70 bps
Overall generic fill rate	83.2 %	86.0 %	(280) bps	85.5 %	87.2 %	(170) bps

(1) Evernorth segment metrics on this page are presented excluding special items.

(2) Adjusted income from operations excluding interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a non-GAAP measure, defined as shareholders' net income excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization, and net realized investment results.

(3) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

Cigna Corporation
Cigna Healthcare
Segment Results (unaudited)

(Dollars in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020 [1]	% Change	2021	2020 [1]	% Change
Revenues						
Premiums	$ 9,506	$ 8,799	8 %	$ 37,737	$ 35,069	8 %
Fees and other revenues	1,489	1,483	—	5,912	5,723	3
Net investment income	231	174	33	1,003	473	112
Total revenues	11,226	10,456	7	44,652	41,265	8
Benefits and expenses						
Medical costs	8,270	7,460	11	31,690	27,469	15
Selling, general and administrative expenses excluding special items	2,474	2,671	(7)	9,362	9,647	(3)
Amortization of acquired intangible assets	11	11	—	47	44	7
Special items	—	—	N/M	—	(101)	N/M
Total benefits and expenses	10,755	10,142	6	41,099	37,059	11
Income from operations	471	314	50	3,553	4,206	(16)
Interest expense and other	3	4	(25)	12	13	(8)
Net realized investment gains (losses)	72	106	(32)	247	72	243
Income before income taxes	546	424	29	3,812	4,291	(11)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax income (loss) attributable to noncontrolling interests	(1)	(1)		(3)	(1)	
Net realized investment (gains) losses	(84)	(149)		(247)	(202)	
Amortization of acquired intangible assets	11	11		47	44	
Special items	—	—		—	(101)	
Pre-tax adjusted income from operations	$ 472	$ 285	66 %	$ 3,609	$ 4,031	(10) %
Pre-tax adjusted margin	4.2 %	2.7 %	150 bps	8.1 %	9.8 %	(170) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	$ 11,226	$ 10,456	7 %	$ 44,652	$ 41,265	8 %
Net realized investment results from certain equity method investments	(12)	(43)	72	—	(130)	N/M
Adjusted revenues	$ 11,214	$ 10,413	8 %	$ 44,652	$ 41,135	9 %

(1) Amounts have been restated to reflect updated segment reporting. See Basis of Presentation section for further description of this change.

Cigna Corporation
Cigna Healthcare
Premium Revenue and Medical Care Ratio (unaudited)

(Dollars in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Premiums:						
U.S. Commercial						
Insured	$ 3,623	$ 3,441	5 %	$ 14,315	$ 13,389	7 %
Stop loss	1,255	1,155	9	4,868	4,614	6
Other	352	282	25	1,290	1,135	14
Total U.S. Commercial	5,230	4,878	7	20,473	19,138	7
U.S. Government						
Medicare Advantage	2,075	1,885	10	8,362	7,565	11
Medicare Part D	324	351	(8)	1,499	1,593	(6)
Other	1,209	1,055	15	4,815	4,301	12
Total U.S. Government	3,608	3,291	10	14,676	13,459	9
International Health	668	630	6	2,588	2,472	5
Total premiums	$ 9,506	$ 8,799	8 %	$ 37,737	$ 35,069	8 %
Medical Care Ratio	87.0 %	84.8 %	(220) bps	84.0 %	78.3 %	(570) bps

Cigna Corporation
Cigna Healthcare
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of December 31, 2021	2020	% Change	
(Lives in thousands)				
Medical customers: [1]				
U.S. Commercial insured	2,166	2,141	1	%
U.S. Government insured				
Medicare Advantage	567	525	8	
Individual [2]	378	258	47	
Other [3]	565	604	(6)	
Total U.S. Government insured	1,510	1,387	9	
International Health insured [4]	1,081	1,010	7	
U.S. Commercial services only	11,688	11,485	2	
International Health services only [4]	636	627	1	
Total medical customers	17,081	16,650	3	%

COVERED LIVES BY MARKET SEGMENT: [5]	As of December 31, 2021	2020 [6]	% Change	
(Lives in thousands)				
Medical customers: [1]				
National Accounts	3,260	3,394	(4)	%
Middle Market	7,963	7,771	2	
Select	2,614	2,459	6	
Small	17	2	N/M	
Total U.S. Commercial	13,854	13,626	2	
Total U.S. Government	1,510	1,387	9	
International Health [4]	1,717	1,637	5	
Total medical customers	17,081	16,650	3	%

(1) Includes individuals in our Cigna Healthcare segment who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; or have medical claims and services that are administered by Cigna.

(2) As of December 31, 2021, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (367,000 customers) and off-exchange ACA business (11,000 customers). We exited the off-exchange non-ACA business effective January 1, 2021.

(3) Includes Medicaid and Medicare Supplement customers.

(4) International Health excludes medical customers served by less than 100% owned subsidiaries and customers that are part of the businesses to be sold pursuant to the Chubb Transaction. Prior year lives have been restated to conform to this presentation.

(5) Market Segments are defined as follows:
~ the National Accounts market segment includes multi-state employers with more than 5,000 U.S. based, full-time employees in more than one state
~ the Middle Market segment includes employers with more than 500 but fewer than 5,000 U.S. based, full-time employees, single-site employers with more than 5,000 employees, Taft Hartley plans, and other third party payers;
~ the Select market segment includes employers with more than 50 but fewer than 500 eligible employees;
~ the Small market segment includes employers with 2-50 employees.
~ the U.S. Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program and Medicare Supplement as managed care alternatives to publicly funded healthcare programs. The segment also offers individual health insurance coverage both on and off the public exchanges.
~ the International Health market segment is focused on health care coverage in our international markets, as well as health care benefits for globally mobile individuals and employees of multinational organizations.

(6) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 5.

Cigna Corporation
Cigna Healthcare
Unpaid Claims Liability (unaudited)

(Dollars in millions)	Year Ended December 31,	
	2021	2020 [1]
Beginning balance	$ 3,695	$ 3,336
Less: Reinsurance and other amounts recoverable	237	318
Beginning balance, net	3,458	3,018
Incurred costs related to:		
Current year	31,755	27,494
Prior years	(219)	(144)
Total incurred	31,536	27,350
Paid costs related to:		
Current year	27,929	24,187
Prior years	3,065	2,723
Total paid	30,994	26,910
Ending balance, net	4,000	3,458
Add: Reinsurance and other amounts recoverable	261	237
Ending balance [2]	$ 4,261	$ 3,695

(1) Amounts have been restated to reflect updated segment reporting. See Basis of Presentation section for further description of this change.

(2) The ending balance is included in the Insurance and contractholder liabilities balance on the Consolidated Balance Sheets. For additional information regarding this liability, see the Insurance and Contractholder Liabilities footnote in Cigna's Form 10-K for the period ended December 31, 2021, expected to be filed on February 24, 2022.

Cigna Corporation
Corporate and Other Operations
Results (unaudited)

(Dollars in millions)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020 [1]	% Change	2021	2020 [1]	% Change
Revenues						
Total revenues and eliminations [2]	$ (624)	$ 723	N/M %	$ (2,486)	$ 2,802	N/M %
Expenses						
Total expenses and eliminations excluding special items [2]	(813)	621	N/M	(3,265)	1,941	N/M
Special items	279	188	48	310	583	(47)
Total expenses and eliminations [2]	(534)	809	N/M	(2,955)	2,524	N/M
Income (loss) from operations	(90)	(86)	(5)	469	278	69
Interest expense and other	(296)	(340)	13	(1,219)	(1,449)	16
Debt extinguishment costs	—	—	N/M	(141)	(199)	29
Gain (loss) on sale of business	—	4,203	N/M	—	4,203	N/M
Net realized investment gains (losses)	(4)	44	N/M	(47)	60	N/M
Income (Loss) before income taxes	(390)	3,821	N/M	(938)	2,893	N/M
Pre-tax adjustments required to reconcile adjusted income (loss) from operations						
Pre-tax (income) attributable to noncontrolling interests	(8)	(4)		(24)	(19)	
Net realized investment (gains) losses	4	(44)		47	(60)	
Amortization of acquired intangible assets	—	6		14	21	
Special items	279	(4,015)		451	(3,421)	
Pre-tax adjusted loss from operations	$ (115)	$ (236)	51 %	$ (450)	$ (586)	23 %

(1) Amounts have been restated to reflect updated segment reporting. See Basis of Presentation section for further description of this change.

(2) Includes amounts for elimination of intercompany revenues and expenses.

Cigna Corporation
Consolidated Balance Sheets (unaudited)

(Dollars in millions)	As of December 31, 2021	As of December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	$ 5,081	$ 10,182
Investments	920	1,331
Accounts receivable, net	15,071	12,191
Inventories	3,722	3,165
Other current assets	1,283	930
Assets of businesses held for sale [1]	10,057	—
Total current assets	36,134	27,799
Long-term investments	18,438	23,262
Reinsurance recoverables [2]	4,970	5,200
Deferred policy acquisition costs	677	3,385
Property and equipment	3,692	4,205
Goodwill	45,811	44,648
Other intangibles	34,102	35,179
Other assets	2,728	2,687
Separate account assets	8,337	9,086
Total assets	$ 154,889	$ 155,451

	As of December 31, 2021	As of December 31, 2020
Liabilities		
Current Liabilities		
Current insurance and contractholder liabilities	$ 5,318	$ 5,308
Pharmacy and other service costs payable	15,309	13,347
Accounts payable	6,655	5,478
Accrued expenses	7,322	8,515
Short-term debt and current maturities of long-term debt	2,545	3,374
Liabilities of businesses held for sale [1]	6,423	—
Total current liabilities	43,572	36,022
Non-current insurance and contractholder liabilities	12,563	16,844
Deferred tax liabilities, net	8,346	8,939
Other non-current liabilities	3,762	4,629
Long-term debt	31,125	29,545
Separate account liabilities	8,337	9,086
Total liabilities	107,705	105,065
Redeemable noncontrolling interests	54	58
Shareholders' Equity		
Common stock	4	4
Additional paid-in capital	29,574	28,975
Accumulated other comprehensive (loss)	(884)	(861)
Retained earnings	32,593	28,575
Less treasury stock, at cost	(14,175)	(6,372)
Total shareholders' equity	47,112	50,321
Other noncontrolling interests	18	7
Total equity	47,130	50,328
Total liabilities and equity	$ 154,889	$ 155,451

(1) The assets and liabilities in the life, accident, and supplemental businesses to be sold pursuant to the Chubb Transaction have been classified as held for sale as of December 31, 2021. For additional information regarding the sale of these businesses, see the Assets and Liabilities of Businesses Held for Sale footnote in Cigna's Form 10-K for the year ended December 31, 2021, expected to be filed on February 24, 2022.

(2) Includes $4.56 billion as of December 31, 2021 and $4.92 billion as of December 31, 2020 related to: 1) the sale of Cigna's Individual Life & Annuity business in 1998 and Cigna's Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; 2) the reinsurance transaction with Berkshire in 2013; and 3) the sale of Cigna's Group Disability and Life business to New York Life in 2020. Corresponding liabilities are primarily reported in Insurance and contractholder liabilities.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)	Year Ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 5,415	$ 8,489
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,923	2,802
Realized investment (gains) losses, net	(196)	(149)
Deferred income tax (benefit)	(220)	(386)
Gain on sale of business	—	(4,203)
Debt extinguishment costs	141	199
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	(2,843)	(1,496)
Inventories	(557)	(504)
Deferred policy acquisition costs	(267)	(307)
Reinsurance recoverable and other assets	(389)	230
Insurance liabilities	967	841
Pharmacy costs and other service costs payable	1,961	2,891
Accounts payable and accrued expenses and other liabilities	(77)	1,346
Other, net	333	597
Net cash provided by operating activities	7,191	10,350
Net cash (used in) provided by investing activities	(3,611)	2,976
Net cash (used in) financing activities [(1)]	(8,212)	(8,533)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	(65)	41
Net (decrease) increase in cash, cash equivalents and restricted cash	(4,697)	4,834
Cash, cash equivalents, and restricted cash January 1, [(2)]	10,245	5,411
Cash, cash equivalents and restricted cash December 31,	$ 5,548	$ 10,245
Cash, cash equivalents and restricted cash reclassified to Assets of businesses held for sale	(425)	—
Cash, cash equivalents, and restricted cash December 31, per Consolidated Balance Sheets [(3)]	$ 5,123	$ 10,245

(1) Includes $7.7 billion for stock repurchases, $4.7 billion for the repayment and extinguishment of long term debt, offset by $4.3 billion for the issuance of long term debt and $1.0 billion borrowing of commercial paper for the year ended December 31, 2021.

(2) Includes restricted cash of $26 million reported in Other noncurrent assets and $23 million reported in Long-term investments, and $743 million cash reported in Assets of businesses held for sale as of January 1, 2020.

(3) Includes restricted cash of $23 million reported in Long-term investments and $19 million reported in Assets of businesses held for sale as of December 31, 2021.