Cigna Corporation

Quarterly Financial Supplement
June 30, 2022

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Cigna Corporation
June 30, 2022 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 less pre-tax income/loss attributable to noncontrolling interests 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.

On July 1, 2022, we completed the sale of our life, accident and supplemental benefits businesses in six countries (Hong Kong, Indonesia, New Zealand, South Korea, Taiwan and Thailand) to Chubb INA Holdings, Inc. ("Chubb") for approximately $5.4 billion (the "Chubb Transaction"). During the fourth quarter of 2021, in connection with the Chubb Transaction, we revised our business structure and adjusted our segment reporting accordingly. Segment results for the three and six months ended June 30, 2021 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 June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Total revenues	$ 45,480	$ 43,131	5 %	$ 89,485	$ 84,102	6 %
Net realized investment results from certain equity method investments	(49)	(24)	(104)	54	(10)	N/M
Adjusted revenues	$ 45,431	$ 43,107	5 %	$ 89,539	$ 84,092	6 %
Shareholders' net income	$ 1,559	$ 1,467	6 %	$ 2,742	$ 2,628	4 %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Evernorth	$ 1,475	$ 1,413	4 %	$ 2,777	$ 2,636	5 %
Cigna Healthcare [1]	1,240	1,049	18	2,519	2,091	20
Corporate and Other Operations [1]	(168)	(129)	(30)	(285)	(252)	(13)
Consolidated pre-tax adjusted income from operations	$ 2,547	$ 2,333	9 %	$ 5,011	$ 4,475	12 %
Adjusted income tax expense	566	525	8	1,099	1,003	10
Consolidated after-tax adjusted income from operations	$ 1,981	$ 1,808	10 %	$ 3,912	$ 3,472	13 %
Diluted earnings per share						
Shareholders' net income	$ 4.90	$ 4.25	15 %	$ 8.57	$ 7.54	14 %
After-tax adjustments to reconcile to adjusted income from operations						
Net realized investment (gains) losses [2]	0.05	(0.20)		1.16	(0.16)	
Amortization of acquired intangible assets	1.20	1.12		2.31	2.22	
Special items						
Integration and transaction-related costs	0.08	0.04		0.20	0.10	
Charge for organizational efficiency plan	0.05	—		0.05	—	
Charges (benefits) associated with litigation matters	(0.06)	—		(0.06)	(0.06)	
Debt extinguishment costs	—	0.03		—	0.32	
Total special items	0.07	0.07		0.19	0.36	
Adjusted income from operations	$ 6.22	$ 5.24	19 %	$ 12.23	$ 9.96	23 %
Weighted average shares (in thousands)	318,304	344,929		319,784	348,434	
Adjusted EBITDA [3]	$ 3,106	$ 2,861	9 %	$ 6,128	$ 5,539	11 %
Operating cash flow (see page 11)	$ 1,244	$ (296)	N/M %	$ 3,274	$ 797	N/M %
Adjusted SG&A expense ratio [4]	7.1 %	6.9 %	(20) bps	7.2 %	7.4 %	20 bps

CUSTOMER RELATIONSHIPS	As of June 30,			As of December 31,	
(Relationships, lives and policies in thousands)	2022	2021	% Change	2021	% Change
Pharmacy	108,221	101,929	6 %	107,298	1 %
Medical (see page 7) [5]	17,806	16,921	5	17,081	4
Behavioral Care	44,145	39,110	13	40,380	9
Dental	18,209	17,725	3	17,731	3
Medicare Part D	2,884	3,177	(9)	3,182	(9)
Total customer relationships [5]	191,265	178,862	7 %	185,672	3 %

(1) Amounts for the three and six months ended June 30, 2021 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) Adjusted SG&A expense ratio is calculated as selling, general and administrative expenses excluding special items divided by adjusted revenues.

(5) Policies issued by the international businesses sold pursuant to the Chubb Transaction and our joint venture in Türkiye have been excluded from this table.

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Revenues						
Pharmacy revenues	$ 31,972	$ 30,047	6 %	$ 62,669	$ 58,072	8 %
Premiums	10,426	10,323	1	20,782	20,537	1
Fees and other revenues	2,757	2,451	12	5,295	4,792	10
Net investment income	325	310	5	739	701	5
Total revenues	45,480	43,131	5	89,485	84,102	6
Benefits and expenses						
Pharmacy and other service costs	31,150	29,001	7	60,963	56,236	8
Medical costs and other benefit expenses	8,192	8,484	(3)	16,460	16,489	—
Selling, general and administrative expenses excluding special items	3,226	2,980	8	6,473	6,257	3
Amortization of acquired intangible assets	501	503	—	959	998	(4)
Special items	30	16	88	82	18	N/M
Total benefits and expenses	43,099	40,984	5	84,937	79,998	6
Income from operations	2,381	2,147	11	4,548	4,104	11
Interest expense and other	(301)	(298)	(1)	(600)	(612)	2
Debt extinguishment costs	—	(10)	N/M	—	(141)	N/M
Net realized investment gains (losses)	(95)	59	N/M	(414)	60	N/M
Income before income taxes	1,985	1,898	5	3,534	3,411	4
Total income taxes	413	422	(2)	764	764	—
Net income	1,572	1,476	7	2,770	2,647	5
Less: Net income attributable to noncontrolling interests	13	9	44	28	19	47
Shareholders' net income	1,559	1,467	6	2,742	2,628	4
After-tax adjustments to reconcile adjusted income from operations						
Net realized investment (gains) losses [(1)]	16	(70)		371	(57)	
Amortization of acquired intangible assets	383	388		739	776	
Special items						
Integration and transaction-related costs	26	14		63	36	
Charge for organizational efficiency plan	17	—		17	—	
Charges (benefits) associated with litigation matters	(20)	—		(20)	(21)	
Debt extinguishment costs	—	9		—	110	
Adjusted income from operations	$ 1,981	$ 1,808	10 %	$ 3,912	$ 3,472	13 %

(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 June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Revenues						
Pharmacy revenues	$ 33,042	$ 31,126	6 %	$ 64,984	$ 60,426	8 %
Fees and other revenues	1,805	1,461	24	3,439	2,778	24
Net investment income	16	5	220	26	8	225
Total revenues [(1)]	34,863	32,592	7	68,449	63,212	8
Benefits and expenses						
Pharmacy and other service costs	32,712	30,517	7	64,287	59,294	8
Gross profit	2,151	2,075	4	4,162	3,918	6
Selling, general and administrative expenses	663	655	1	1,360	1,270	7
Amortization of acquired intangible assets	444	488	(9)	887	965	(8)
Income from operations	1,044	932	12	1,915	1,683	14
Interest expense and other	—	(1)	N/M	(1)	(1)	—
Net realized investment gains (losses)	—	(2)	N/M	—	(4)	N/M
Income before income taxes	1,044	929	12	1,914	1,678	14
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(13)	(6)		(24)	(11)	
Net realized investment (gains) losses	—	2		—	4	
Amortization of acquired intangible assets	444	488		887	965	
Pre-tax adjusted income from operations	$ 1,475	$ 1,413	4 %	$ 2,777	$ 2,636	5 %
Pre-tax adjusted margin	4.2 %	4.3 %	(10) bps	4.1 %	4.2 %	(10) bps

(1) Total revenues equal adjusted revenues as there were no special items in the periods presented.

Cigna Corporation
Evernorth
Key Metrics (unaudited)

(Dollars and adjusted scripts in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Selected Financial Information						
Adjusted EBITDA [(1)]	$ 1,594	$ 1,505	6 %	$ 3,018	$ 2,813	7 %
Pharmacy revenue by distribution channel						
Network revenues	$ 16,107	$ 16,166	— %	$ 31,638	$ 31,304	1 %
Home delivery and specialty revenues	15,268	13,341	14	29,967	26,115	15
Other revenues	1,667	1,619	3	3,379	3,007	12
Total pharmacy revenues	$ 33,042	$ 31,126	6 %	$ 64,984	$ 60,426	8 %
Pharmacy script volume						
Adjusted network scripts [(2)]	323	339	(5) %	638	662	(4) %
Adjusted home delivery and specialty scripts [(2)]	69	71	(3)	139	141	(1)
Total adjusted scripts [(2)]	392	410	(4) %	777	803	(3) %
Generic fill rate						
Network	87.6 %	85.3 %	230 bps	87.4 %	86.3 %	110 bps
Home delivery	85.8 %	85.7 %	10 bps	85.6 %	85.8 %	(20) bps
Overall generic fill rate	87.5 %	85.4 %	210 bps	87.2 %	86.2 %	100 bps

(1) Adjusted EBITDA is defined as Evernorth segment pre-tax adjusted income from operations excluding interest expense and depreciation and amortization (for amounts not already excluded in segment pre-tax adjusted income from operations).

(2) 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 June 30,			Six Months Ended June 30,		
	2022	2021 [1]	% Change	2022	2021 [1]	% Change
Revenues						
Premiums	$ 9,615	$ 9,466	2 %	$ 19,141	$ 18,814	2 %
Fees and other revenues	1,593	1,527	4	3,090	2,973	4
Net investment income	178	180	(1)	444	439	1
Total revenues	11,386	11,173	2	22,675	22,226	2
Benefits and expenses						
Medical costs	7,761	7,994	(3)	15,520	15,561	—
Selling, general and administrative expenses	2,338	2,109	11	4,693	4,569	3
Amortization of acquired intangible assets	57	12	N/M	72	26	177
Total benefits and expenses	10,156	10,115	—	20,285	20,156	1
Income from operations	1,230	1,058	16	2,390	2,070	15
Interest expense and other	2	3	(33)	4	6	(33)
Net realized investment gains (losses)	(27)	50	N/M	(330)	80	N/M
Income before income taxes	1,205	1,111	8	2,064	2,156	(4)
Pre-tax adjustments required to reconcile to adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	—	—		(1)	(1)	
Net realized investment (gains) losses [2]	(22)	(74)		384	(90)	
Amortization of acquired intangible assets	57	12		72	26	
Pre-tax adjusted income from operations	$ 1,240	$ 1,049	18 %	$ 2,519	$ 2,091	20 %
Pre-tax adjusted margin	10.9 %	9.4 %	150 bps	11.1 %	9.4 %	170 bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	$ 11,386	$ 11,173	2 %	$ 22,675	$ 22,226	2 %
Net realized investment results from certain equity method investments	(49)	(24)	(104)	54	(10)	N/M
Adjusted revenues	$ 11,337	$ 11,149	2 %	$ 22,729	$ 22,216	2 %

(1) Amounts 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.

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

(Dollars in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021 [1]	% Change	2022	2021 [1]	% Change
Premiums:						
U.S. Commercial						
Insured	$ 3,771	$ 3,578	5 %	$ 7,491	$ 7,101	5 %
Stop loss	1,344	1,194	13	2,669	2,388	12
Other	352	308	14	712	618	15
Total U.S. Commercial	5,467	5,080	8	10,872	10,107	8
U.S. Government						
Medicare Advantage	2,053	2,116	(3)	4,131	4,208	(2)
Medicare Part D	345	410	(16)	746	860	(13)
Other	1,038	1,227	(15)	1,978	2,365	(16)
Total U.S. Government	3,436	3,753	(8)	6,855	7,433	(8)
International Health	712	633	12	1,414	1,274	11
Total premiums	$ 9,615	$ 9,466	2 %	$ 19,141	$ 18,814	2 %
Medical Care Ratio	80.7 %	84.4 %	370 bps	81.1 %	82.7 %	160 bps

(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
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of June 30, 2022	As of June 30, 2021	% Change	As of December 31, 2021	% Change
(Lives in thousands)					
Medical customers: [1]					
U.S. Commercial insured	2,187	2,128	3 %	2,166	1 %
U.S. Government insured					
Medicare Advantage	544	567	(4)	567	(4)
Individual [2]	340	348	(2)	378	(10)
Other [3]	490	569	(14)	565	(13)
Total U.S. Government insured	1,374	1,484	(7)	1,510	(9)
International Health insured [4]	1,144	1,052	9	1,081	6
U.S. Commercial services only	12,465	11,632	7	11,688	7
U.S. Government services only	5	—	N/M	—	N/M
International Health services only [4]	631	625	1	636	(1)
Total medical customers	17,806	16,921	5 %	17,081	4 %

COVERED LIVES BY MARKET SEGMENT: [5]	As of June 30, 2022	As of June 30, 2021 [6]	% Change	As of December 31, 2021 [6]	% Change
(Lives in thousands)					
Medical customers: [1]					
National Accounts	5,775	5,815	(1) %	5,777	— %
Middle Market	6,100	5,443	12	5,482	11
Select	2,730	2,497	9	2,578	6
Small	47	5	N/M	17	176
Total U.S. Commercial	14,652	13,760	6	13,854	6
U.S. Government	1,379	1,484	(7)	1,510	(9)
International Health [4]	1,775	1,677	6	1,717	3
Total medical customers	17,806	16,921	5 %	17,081	4 %

(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 June 30, 2022, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (329,000 customers) and off-exchange ACA business (11,000 customers).

(3) Includes Medicare Supplement and Medicaid (disposed of January 1, 2022) customers.

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

(5) In the second quarter of 2022, we redefined our National Accounts and Middle Market customer segments. The new Market Segment definitions are as follows:
~ the National Accounts market segment includes employers with 3,000 or more eligible employees;
~ the Middle Market segment includes employers with 500 to 2,999 eligible employees, Taft Hartley plans, and other groups;
~ the Select market segment includes employers with 51 to 499 eligible employees;
~ the Small market segment includes employers with 2 to 50 eligible 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 health care 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)	Six Months Ended June 30,		Year Ended
	2022	2021 [1]	December 31, 2021
Beginning balance	$ 4,261	$ 3,695	$ 3,695
Less: Reinsurance and other amounts recoverable	261	237	237
Beginning balance, net	4,000	3,458	3,458
Incurred costs related to:			
Current year	15,751	15,716	31,755
Prior years	(268)	(228)	(219)
Total incurred	15,483	15,488	31,536
Paid costs related to:			
Current year	11,900	12,065	27,929
Prior years	3,290	2,858	3,065
Total paid	15,190	14,923	30,994
Ending balance, net	4,293	4,023	4,000
Add: Reinsurance and other amounts recoverable	197	205	261
Ending balance [2]	$ 4,490	$ 4,228	$ 4,261

(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-Q for the period ended June 30, 2022, expected to be filed on August 4, 2022.

Cigna Corporation
Corporate and Other Operations
Results (unaudited)

(Dollars in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021 [1]	% Change	2022	2021 [1]	% Change
Revenues						
Total revenues and eliminations [2]	$ (769)	$ (634)	(21) %	$ (1,639)	$ (1,336)	(23) %
Expenses						
Total expenses and eliminations excluding special items [2]	(906)	(807)	(12)	(1,964)	(1,705)	(15)
Special items	30	16	88	82	18	N/M
Total expenses and eliminations [2]	(876)	(791)	(11)	(1,882)	(1,687)	(12)
Income from operations	107	157	(32)	243	351	(31)
Interest expense and other	(303)	(300)	(1)	(603)	(617)	2
Debt extinguishment costs	—	(10)	N/M	—	(141)	N/M
Net realized investment gains (losses)	(68)	11	N/M	(84)	(16)	N/M
Loss before income taxes	(264)	(142)	(86)	(444)	(423)	(5)
Pre-tax adjustments required to reconcile adjusted income (loss) from operations						
Pre-tax (income) attributable to noncontrolling interests	(2)	(5)		(7)	(11)	
Net realized investment (gains) losses	68	(11)		84	16	
Amortization of acquired intangible assets	—	3		—	7	
Special items	30	26		82	159	
Pre-tax adjusted loss from operations	$ (168)	$ (129)	(30) %	$ (285)	$ (252)	(13) %

(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 June 30, 2022	As of December 31, 2021		As of June 30, 2022	As of December 31, 2021
Assets			**Liabilities**		
Current Assets			**Current Liabilities**		
Cash and cash equivalents	$ 4,421	$ 5,081	Current insurance and contractholder liabilities	$ 5,654	$ 5,318
Investments	754	920	Pharmacy and other service costs payable	16,432	15,309
Accounts receivable, net	18,290	15,071	Accounts payable	7,142	6,655
Inventories	3,781	3,722	Accrued expenses and other liabilities	7,742	7,322
Other current assets	1,124	1,283	Short-term debt	2,397	2,545
Assets of businesses held for sale [(1)]	9,052	10,057	Liabilities of businesses held for sale [(1)]	5,851	6,423
Total current assets	37,422	36,134	Total current liabilities	45,218	43,572
Long-term investments	16,724	18,438	Non-current insurance and contractholder liabilities	11,777	12,563
Reinsurance recoverables [(2)]	4,874	4,970	Deferred tax liabilities, net	8,014	8,346
Deferred policy acquisition costs	742	677	Other non-current liabilities	3,175	3,762
Property and equipment	3,659	3,692	Long-term debt	30,984	31,125
Goodwill	45,810	45,811	Separate account liabilities	7,495	8,337
Other intangible assets	33,276	34,102	Total liabilities	106,663	107,705
Other assets	2,628	2,728			
Separate account assets	7,495	8,337	Redeemable noncontrolling interests	45	54
			Shareholders' Equity		
			Common stock	4	4
			Additional paid-in capital	29,930	29,574
			Accumulated other comprehensive loss	(2,080)	(884)
			Retained earnings	34,626	32,593
			Less: treasury stock, at cost	(16,588)	(14,175)
			Total shareholders' equity	45,892	47,112
			Other noncontrolling interests	30	18
			Total equity	45,922	47,130
Total assets	$ 152,630	$ 154,889	Total liabilities and equity	$ 152,630	$ 154,889

(1) The assets and liabilities in the life, accident, and supplemental businesses sold pursuant to the Chubb Transaction have been classified as held for sale as of June 30, 2022 and 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-Q for the quarterly period ended June 30, 2022, expected to be filed on August 4, 2022.

(2) Includes $4.47 billion as of June 30, 2022 and $4.56 billion as of December 31, 2021 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)	Six Months Ended June 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,770	$ 2,647
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,476	1,446
Realized investment (gains) losses, net	414	(60)
Deferred income tax (benefit)	(167)	(80)
Debt extinguishment costs	—	141
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	(2,769)	(3,233)
Inventories	(59)	124
Deferred policy acquisition costs	(105)	(117)
Reinsurance recoverable and other assets	265	(416)
Insurance liabilities	474	677
Pharmacy and other service costs payable	1,124	1,123
Accounts payable and accrued expenses and other liabilities	(134)	(1,643)
Other, net	(15)	188
Net cash provided by operating activities	3,274	797
Net cash (used in) investing activities	(732)	(3,024)
Net cash (used in) financing activities [(1)]	(3,087)	(4,113)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	(80)	(27)
Net (decrease) in cash, cash equivalents and restricted cash	(625)	(6,367)
Cash, cash equivalents and restricted cash January 1, [(2)]	5,548	10,245
Cash, cash equivalents and restricted cash June 30,	$ 4,923	$ 3,878
Cash and cash equivalents reclassified to Assets of businesses held for sale	(455)	—
Cash, cash equivalents and restricted cash June 30, per Consolidated Balance Sheets [(3)]	$ 4,468	$ 3,878

(1) Includes $2.4 billion for stock repurchases and $0.2 billion borrowing of commercial paper for the six months ended June 30, 2022.

(2) Includes restricted cash of $19 million reported in Other assets and $23 million reported in Long-term investments, and cash and cash equivalents of $425 million reported in Assets of businesses held for sale as of January 1, 2022.

(3) Includes restricted cash of $47 million reported in Long-term investments as of June 30, 2022.