REFINITIV

DELTA REPORT

10-Q

CI - CIGNA GROUP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1547
CHANGES	273
DELETIONS	667
ADDITIONS	607

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

cignagroup_logo_color_pos_rgb_600ppi.jpg

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023 March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-38769

The Cigna Group
(Exact name of registrant as specified in its charter)

Delaware	**82-4991898**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

900 Cottage Grove Road
Bloomfield, Connecticut 06002
(Address of principal executive offices) (Zip Code)

(860) 226-6000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01	CI	New York Stock Exchange, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of October 27, 2023 April 30, 2024, 292,619,966 284,074,001 shares of the issuer's common stock were outstanding.

THE CIGNA GROUP

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As used herein, the term "Company" refers to one or more of The Cigna Group and its consolidated subsidiaries.

Part I. *FINANCIAL INFORMATION*

Item 1. *FINANCIAL STATEMENTS*

The Cigna Group
Consolidated Statements of Income

	Unaudited		Unaudited	
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share amounts)	**2023**	**2022** (1)	**2023**	**2022** (1)
Revenues				
Pharmacy revenues	**$ 34,531**	$ 32,762	**$ 100,639**	$ 95,431
Premiums	**10,998**	9,586	**33,062**	30,368
Fees and other revenues	**3,198**	2,729	**9,574**	8,023
Net investment income	**321**	204	**876**	943
TOTAL REVENUES	**49,048**	45,281	**144,151**	134,765
Benefits and expenses				
Pharmacy and other service costs	**33,639**	31,777	**98,540**	92,740

Medical costs and other benefit expenses		**8,927**		7,751		**27,007**		24,215
Selling, general and administrative expenses		**3,788**		3,151		**10,760**		9,690
Amortization of acquired intangible assets		**454**		460		**1,368**		1,419
TOTAL BENEFITS AND EXPENSES		**46,808**		43,139		**137,675**		128,064
Income from operations		**2,240**		2,142		**6,476**		6,701
Interest expense and other		**(365)**		(304)		**(1,086)**		(904)
(Loss) gain on sale of businesses		**(21)**		1,735		**(21)**		1,735
Net realized investment losses		**(14)**		(82)		**(44)**		(493)
Income before income taxes		**1,840**		3,491		**5,325**		7,039
TOTAL INCOME TAXES		**391**		713		**1,060**		1,479
Net income		**1,449**		2,778		**4,265**		5,560
Less: Net income attributable to noncontrolling interests		**41**		21		**130**		49
SHAREHOLDERS' NET INCOME	**$**	**1,408**	$	2,757	**$**	**4,135**	$	5,511
Shareholders' net income per share								
Basic	**$**	**4.79**	$	9.07	**$**	**14.03**	$	17.64
Diluted	**$**	**4.74**	$	8.97	**$**	**13.89**	$	17.46

(1) Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.

The Cigna Group
Consolidated Statements of Income

	Unaudited			
	Three Months Ended March 31,			
(In millions, except per share amounts)		**2024**		**2023**
Revenues				
Pharmacy revenues	**$**	**42,036**	$	32,144
Premiums		**11,603**		11,025
Fees and other revenues		**3,326**		3,071
Net investment income		**290**		277
TOTAL REVENUES		**57,255**		46,517
Benefits and expenses				
Pharmacy and other service costs		**41,431**		31,459
Medical costs and other benefit expenses		**9,440**		9,046
Selling, general and administrative expenses		**3,705**		3,538
Amortization of acquired intangible assets		**423**		459
TOTAL BENEFITS AND EXPENSES		**54,999**		44,502
Income from operations		**2,256**		2,015
Interest expense and other		**(322)**		(358)
Loss on sale of businesses		**(19)**		—
Net realized investment losses		**(1,836)**		(56)
Income before income taxes		**79**		1,601
TOTAL INCOME TAXES		**291**		295
Net (loss) income		**(212)**		1,306
Less: Net income attributable to noncontrolling interests		**65**		39
SHAREHOLDERS' NET (LOSS) INCOME	**$**	**(277)**	$	1,267
Shareholders' net (loss) income per share				
Basic	**$**	**(0.97)**	$	4.28
Diluted	**$**	**(0.97)**	$	4.24

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

The Cigna Group
Consolidated Statements of Comprehensive Income

(In millions)	Unaudited Three Months Ended September 30, 2023	2022 (1)	Unaudited Nine Months Ended September 30, 2023	2022 (1)
Net income	**$ 1,449**	$ 2,778	**$ 4,265**	$ 5,560
Other comprehensive income (loss), net of tax				
Net unrealized (depreciation) appreciation on securities and derivatives	**(192)**	(150)	**22**	(1,663)
Net long-duration insurance and contractholder liabilities measurement adjustments	**(28)**	(19)	**(476)**	446
Net translation (losses) gains on foreign currencies	**(29)**	175	**(32)**	(95)
Postretirement benefits liability adjustment	**8**	10	**25**	50
Other comprehensive (loss) income, net of tax	**(241)**	16	**(461)**	(1,262)
Total comprehensive income	**1,208**	2,794	**3,804**	4,298
Comprehensive income (loss) attributable to noncontrolling interests				
Net income attributable to redeemable noncontrolling interests	**37**	3	**116**	8
Net income attributable to other noncontrolling interests	**4**	18	**14**	41
Other comprehensive loss attributable to redeemable noncontrolling interests	**—**	1	**—**	(2)
Total comprehensive income attributable to noncontrolling interests	**41**	22	**130**	47
SHAREHOLDERS' COMPREHENSIVE INCOME	**$ 1,167**	$ 2,772	**$ 3,674**	$ 4,251

(1) *Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.*

The Cigna Group
Consolidated Statements of Comprehensive Income

(In millions)	Unaudited Three Months Ended March 31, 2024	2023
Net (loss) income	**$ (212)**	$ 1,306
Other comprehensive income (loss), net of tax		
Net unrealized appreciation on securities and derivatives	**121**	194
Net long-duration insurance and contractholder liabilities measurement adjustments	**(560)**	(331)
Net translation (losses) gains on foreign currencies	**(26)**	16
Postretirement benefits liability adjustment	**5**	10
Other comprehensive loss, net of tax	**(460)**	(111)
Total comprehensive (loss) income	**(672)**	1,195
Comprehensive income (loss) attributable to noncontrolling interests		
Net income attributable to redeemable noncontrolling interests	**—**	34
Net income attributable to other noncontrolling interests	**65**	5
Total comprehensive income attributable to noncontrolling interests	**65**	39
SHAREHOLDERS' COMPREHENSIVE (LOSS) INCOME	**$ (737)**	$ 1,156

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

The Cigna Group Consolidated Balance Sheets

The Cigna Group
Consolidated Balance Sheets

The Cigna Group
Consolidated Balance Sheets

	Unaudited As of September 30,	As of December 31,

Unaudited	Unaudited

	As of March 31,					As of March 31,		As of December 31,
(In millions)	*(In millions)*		**2023**		**2022 (1)**			
(In millions)								
(In millions)						**2024**	**2023**	
Assets	**Assets**							
Cash and cash equivalents								
Cash and cash equivalents								
Cash and cash equivalents	Cash and cash equivalents	**$**	**8,497**	$	5,924			
Investments	Investments		**1,046**		905			
Accounts receivable, net	Accounts receivable, net		**19,083**		17,218			
Inventories	Inventories		**4,416**		4,777			
Other current assets	Other current assets		**1,476**		1,298			
Assets of businesses held for sale								
Total current assets	Total current assets		**34,518**		30,122			
Long-term investments	Long-term investments		**18,974**		16,288			
Reinsurance recoverables	Reinsurance recoverables		**4,920**		5,416			
Property and equipment	Property and equipment		**3,924**		3,774			
Property and equipment								
Property and equipment								
Goodwill	Goodwill		**45,810**		45,811			
Other intangible assets	Other intangible assets		**31,324**		32,492			
Other assets	Other assets		**3,147**		2,704			
Separate account assets	Separate account assets		**7,028**		7,278			
Assets of businesses held for sale, non-current								
TOTAL ASSETS	**TOTAL ASSETS**	**$**	**149,645**	$	143,885			
Liabilities	**Liabilities**							
Current insurance and contractholder liabilities								
Current insurance and contractholder liabilities								
Current insurance and contractholder liabilities	Current insurance and contractholder liabilities	**$**	**7,352**	$	5,409			
Pharmacy and other service costs payable	Pharmacy and other service costs payable		**19,320**		17,070			
Accounts payable	Accounts payable		**7,673**		7,775			
Accrued expenses and other liabilities	Accrued expenses and other liabilities		**9,668**		7,978			
Short-term debt	Short-term debt		**3,046**		2,993			

Liabilities of businesses held for sale			
Total current liabilities	Total current liabilities	**47,059**	41,225
Non-current insurance and contractholder liabilities	Non-current insurance and contractholder liabilities	**11,286**	11,976
Deferred tax liabilities, net	Deferred tax liabilities, net	**7,480**	7,786
Other non-current liabilities	Other non-current liabilities	**2,932**	2,766
Long-term debt	Long-term debt	**28,094**	28,100
Separate account liabilities	Separate account liabilities	**7,028**	7,278
Liabilities of businesses held for sale, non-current			
TOTAL LIABILITIES	**TOTAL LIABILITIES**	**103,879**	99,131
Contingencies — Note 16	**Contingencies — Note 16**		**Contingencies — Note 16**
Redeemable noncontrolling interests	Redeemable noncontrolling interests	**64**	66
Shareholders' equity	**Shareholders' equity**		
Common stock (2)		**4**	4
Common stock (1)			
Common stock (1)			
Common stock (1)			
Additional paid-in capital	Additional paid-in capital	**30,563**	30,233
Accumulated other comprehensive loss	Accumulated other comprehensive loss	**(2,119)**	(1,658)
Retained earnings	Retained earnings	**40,982**	37,940
Less: Treasury stock, at cost	Less: Treasury stock, at cost	**(23,739)**	(21,844)
TOTAL SHAREHOLDERS' EQUITY	**TOTAL SHAREHOLDERS' EQUITY**	**45,691**	44,675
Other noncontrolling interests	Other noncontrolling interests	**11**	13
Total equity	Total equity	**45,702**	44,688
Total liabilities and equity	Total liabilities and equity	**$ 149,645**	$ 143,885

(1) *Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.*

(2) *Par value per share, $0.01; shares issued, 399 million 402 million as of September 30, 2023 March 31, 2024 and 398 million 400 million as of December 31, 2022 December 31, 2023; authorized shares, 600 million.*

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

The Cigna Group **The Cigna Group** **The Cigna Group**

Consolidated Statements of Changes in Total Equity

Three Months Ended March 31, 2024

(In millions)	(In millions)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity	Other Non-controlling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2023		$ 4	$ 30,436	$ (1,878)	$ 39,936	$(23,053)	$ 45,445	$ 19	$45,464	$ 62
Balance at December 31, 2023										
Effects of issuing stock for employee benefits plans	Effects of issuing stock for employee benefits plans		127			(5)	122		122	
Effects of issuing stock for employee benefits plans										
Effects of issuing stock for employee benefits plans										
Other comprehensive loss										
Other comprehensive loss										
Other comprehensive loss										
Net (loss) income										
Common dividends declared (per share: $1.40)										
Repurchase of common stock										
Repurchase of common stock										
Repurchase of common stock										
Other transactions impacting noncontrolling interests										
Other transactions impacting noncontrolling interests										
Other transactions impacting noncontrolling interests										
Balance at March 31, 2024										

Three Months Ended March 31, 2024

(In millions)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

(In millions)	(In millions)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity
Balance at December 31, 2022							
Balance at December 31, 2022							
Balance at December 31, 2022							

Effect of issuing stock for employee benefit plans

Other comprehensive loss

Other comprehensive loss

		Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity	Other Non-controlling Interests	Total Equity	Redeemable Noncontrolling Interests
Other comprehensive loss	Other comprehensive loss			**(241)**			**(241)**		**(241)**	**—**
Net income	Net income				**1,408**		**1,408**	**4**	**1,412**	**37**
Common dividends declared (per share: $1.23)	Common dividends declared (per share: $1.23)				**(362)**		**(362)**		**(362)**	
Repurchase of common stock	Repurchase of common stock		**—**			**(681)**	**(681)**		**(681)**	
Other transactions impacting noncontrolling interests			**—**				**—**	**(12)**	**(12)**	**(35)**
Balance at September 30, 2023		**$ 4**	**$ 30,563**	**$ (2,119)**	**$ 40,982**	**$(23,739)**	**$ 45,691**	**$ 11**	**$45,702**	**$ 64**

Three Months Ended September 30, 2022 (1)

(In millions)		Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity	Other Non-controlling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at June 30, 2022, as retrospectively restated (1)		4	29,930	(2,343)	34,668	(16,588)	45,671	30	45,701	45
Effect of issuing stock for employee benefit plans			165			(2)	163		163	
Other comprehensive income				15			15		15	1
Net income					2,757		2,757	18	2,775	3
Common dividends declared (per share: $1.12)					(342)		(342)		(342)	
Repurchase of common stock										
Repurchase of common stock	Repurchase of common stock		(700)			(2,800)	(3,500)		(3,500)	
Other transactions impacting noncontrolling interests	Other transactions impacting noncontrolling interests		—				—	(6)	(6)	1
Balance at September 30, 2022		$ 4	$ 29,395	$ (2,328)	$ 37,083	$(19,390)	$ 44,764	$ 42	$44,806	$ 50

Other transactions impacting noncontrolling interests

Other transactions impacting noncontrolling interests

Balance at March 31, 2023

(1) *Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.*

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

The Cigna Group

Consolidated Statements of Changes in Total Equity

Unaudited

Nine Months Ended September 30, 2023

(In millions)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity	Other Non-controlling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2022, as retrospectively restated (1)	**$ 4**	**$ 30,233**	**$ (1,658)**	**$ 37,940**	**$ (21,844)**	**$ 44,675**	**$ 13**	**$ 44,688**	**$ 66**
Effect of issuing stock for employee benefit plans		**332**			**(110)**	**222**		**222**	
Other comprehensive loss			**(461)**			**(461)**		**(461)**	**—**
Net income				**4,135**		**4,135**	**14**	**4,149**	**116**
Common dividends declared (per share: $3.69)				**(1,093)**		**(1,093)**		**(1,093)**	
Repurchase of common stock		**—**			**(1,785)**	**(1,785)**		**(1,785)**	
Other transactions impacting noncontrolling interests		**(2)**				**(2)**	**(16)**	**(18)**	**(118)**
Balance at September 30, 2023	**$ 4**	**$ 30,563**	**$ (2,119)**	**$ 40,982**	**$ (23,739)**	**$ 45,691**	**$ 11**	**$ 45,702**	**$ 64**

Nine Months Ended September 30, 2022 (1)

(In millions)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Retained Earnings	Treasury Stock	Shareholders' Equity	Other Non-controlling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at December 31, 2021, as retrospectively restated (1)	4	29,574	(1,068)	32,623	(14,175)	46,958	18	46,976	54
Effect of issuing stock for employee benefit plans		521			(75)	446		446	
Other comprehensive loss			(1,260)			(1,260)		(1,260)	(2)
Net income				5,511		5,511	41	5,552	8
Common dividends declared (per share: $3.36)				(1,051)		(1,051)		(1,051)	
Repurchase of common stock		(700)			(5,140)	(5,840)		(5,840)	
Other transactions impacting noncontrolling interests		—				—	(17)	(17)	(10)
Balance at September 30, 2022	$ 4	$ 29,395	$ (2,328)	$ 37,083	$ (19,390)	$ 44,764	$ 42	$ 44,806	$ 50

(1)**Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.**

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

The Cigna Group

Consolidated Statements of Cash Flows

		Unaudited Nine Months Ended September 30,	
		Unaudited	
		Unaudited	
		Unaudited	
		Three Months Ended March 31,	Three Months Ended March 31,
(In millions)	*(In millions)*	2023	2022 (1)
(In millions)			
(In millions)			
Cash Flows from Operating Activities	**Cash Flows from Operating Activities**		
Net income		**$4,265**	$5,560

Adjustments to reconcile net income to net cash provided by operating activities:			
Cash Flows from Operating Activities			
Cash Flows from Operating Activities			
Net (loss) income			
Net (loss) income			
Net (loss) income			
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	**2,270**	2,202
Realized investment losses, net	Realized investment losses, net	**44**	493
Realized investment losses, net			
Realized investment losses, net			
Deferred income tax benefit	Deferred income tax benefit	**(303)**	(298)
Loss (gain) on sale of businesses		**21**	(1,735)
Deferred income tax benefit			
Deferred income tax benefit			
Loss on sale of businesses			
Loss on sale of businesses			
Loss on sale of businesses			
Net changes in assets and liabilities, net of non-operating effects:			
Net changes in assets and liabilities, net of non-operating effects:			
Net changes in assets and liabilities, net of non-operating effects:	**Net changes in assets and liabilities, net of non-operating effects:**		

Accounts receivable, net	Accounts receivable, net	**(1,916)**	(2,339)
Accounts receivable, net			
Accounts receivable, net			
Inventories			
Inventories			
Inventories	Inventories	**360**	(296)
Reinsurance recoverable and Other assets	Reinsurance recoverable and Other assets	**281**	734
Reinsurance recoverable and Other assets			
Reinsurance recoverable and Other assets			
Insurance liabilities			
Insurance liabilities			
Insurance liabilities	Insurance liabilities	**1,482**	408
Pharmacy and other service costs payable	Pharmacy and other service costs payable	**2,250**	1,368
Pharmacy and other service costs payable			
Pharmacy and other service costs payable			
Accounts payable and Accrued expenses and other liabilities			
Accounts payable and Accrued expenses and other liabilities			
Accounts payable and Accrued expenses and other liabilities	Accounts payable and Accrued expenses and other liabilities	**1,337**	380
Other, net	Other, net	**255**	80
Other, net			
Other, net			
NET CASH PROVIDED BY OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	**NET CASH PROVIDED BY OPERATING ACTIVITIES**	**10,346**	6,557

Cash Flows from Investing Activities	**Cash Flows from Investing Activities**		
Cash Flows from Investing Activities			
Cash Flows from Investing Activities			
Proceeds from investments sold:			
Proceeds from investments sold:			
Proceeds from investments sold:	**Proceeds from investments sold:**		
Debt securities and equity securities	Debt securities and equity securities	**757**	1,406
Debt securities and equity securities			
Debt securities and equity securities			
Investment maturities and repayments:			
Investment maturities and repayments:			
Investment maturities and repayments:	**Investment maturities and repayments:**		
Debt securities and equity securities	Debt securities and equity securities	**715**	1,124
Debt securities and equity securities			
Debt securities and equity securities			
Commercial mortgage loans			
Commercial mortgage loans			
Commercial mortgage loans	Commercial mortgage loans	**86**	73
Other sales, maturities and repayments (primarily short-term and other long-term investments)	Other sales, maturities and repayments (primarily short-term and other long-term investments)	**453**	906
Other sales, maturities and repayments (primarily short-term and other long-term investments)			
Other sales, maturities and repayments (primarily short-term and other long-term investments)			

Investments purchased or originated:

Investments purchased or originated:

Investments purchased or originated:	**Investments purchased or originated:**		
Debt securities and equity securities	Debt securities and equity securities	**(4,005)**	(2,457)

Debt securities and equity securities

Debt securities and equity securities

Commercial mortgage loans

Commercial mortgage loans

Commercial mortgage loans	Commercial mortgage loans	**(94)**	(84)
Other (primarily short-term and other long-term investments)	Other (primarily short-term and other long-term investments)	**(891)**	(1,109)

Other (primarily short-term and other long-term investments)

Other (primarily short-term and other long-term investments)

Property and equipment purchases, net	Property and equipment purchases, net	**(1,208)**	(950)
Acquisitions, net of cash acquired		**(443)**	—

Property and equipment purchases, net

Property and equipment purchases, net

Divestitures, net of cash sold

Divestitures, net of cash sold

Divestitures, net of cash sold	Divestitures, net of cash sold	**13**	4,838
Other, net	Other, net	**(117)**	(33)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		**(4,734)**	3,714

Other, net

Other, net

NET CASH USED IN INVESTING ACTIVITIES

NET CASH USED IN INVESTING ACTIVITIES

NET CASH USED IN INVESTING ACTIVITIES

Cash Flows from Financing Activities

Cash Flows from Financing Activities			
Cash Flows from Financing Activities	**Cash Flows from Financing Activities**		
Deposits and interest credited to contractholder deposit funds	Deposits and interest credited to contractholder deposit funds	**127**	121
Deposits and interest credited to contractholder deposit funds			
Deposits and interest credited to contractholder deposit funds			
Withdrawals and benefit payments from contractholder deposit funds	Withdrawals and benefit payments from contractholder deposit funds	**(139)**	(161)
Withdrawals and benefit payments from contractholder deposit funds			
Withdrawals and benefit payments from contractholder deposit funds			
Net change in short-term debt			
Net change in short-term debt			
Net change in short-term debt	Net change in short-term debt	**1,484**	(2,051)
Repayment of long-term debt	Repayment of long-term debt	**(2,967)**	—
Repayment of long-term debt			
Repayment of long-term debt			
Net proceeds on issuance of long-term debt			
Net proceeds on issuance of long-term debt			
Net proceeds on issuance of long-term debt	Net proceeds on issuance of long-term debt	**1,491**	—
Repurchase of common stock	Repurchase of common stock	**(1,740)**	(5,874)
Repurchase of common stock			
Repurchase of common stock			
Issuance of common stock			
Issuance of common stock			
Issuance of common stock	Issuance of common stock	**113**	317
Common stock dividend paid	Common stock dividend paid	**(1,092)**	(1,050)

Common stock dividend paid			
Common stock dividend paid			
Other, net			
Other, net			
Other, net	Other, net	**(321)**	94
NET CASH USED IN FINANCING ACTIVITIES	**NET CASH USED IN FINANCING ACTIVITIES**	**(3,044)**	(8,604)
NET CASH USED IN FINANCING ACTIVITIES			
NET CASH USED IN FINANCING ACTIVITIES			
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash			
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash			
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	**2**	(98)
Net increase in cash, cash equivalents and restricted cash	Net increase in cash, cash equivalents and restricted cash	**2,570**	1,569
Cash, cash equivalents and restricted cash January 1, (2)		**5,976**	5,548
Cash, cash equivalents and restricted cash, September 30, (3)		**8,546**	7,117
Net increase in cash, cash equivalents and restricted cash			
Net increase in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash January 1,			
Cash, cash equivalents and restricted cash January 1,			
Cash, cash equivalents and restricted cash January 1,			
Cash, cash equivalents and restricted cash, March 31, (1)			
Cash, cash equivalents and restricted cash, March 31, (1)			

Cash, cash equivalents and restricted cash, March 31, (1)			
Cash and cash equivalents reclassified to assets of businesses held for sale			
Cash and cash equivalents reclassified to assets of businesses held for sale			
Cash and cash equivalents reclassified to assets of businesses held for sale			
Cash, cash equivalents and restricted cash March 31, per Consolidated Balance Sheets (1)			
Cash, cash equivalents and restricted cash March 31, per Consolidated Balance Sheets (1)			
Cash, cash equivalents and restricted cash March 31, per Consolidated Balance Sheets (1)			
Supplemental Disclosure of Cash Information:			
Supplemental Disclosure of Cash Information:			
Supplemental Disclosure of Cash Information:	**Supplemental Disclosure of Cash Information:**		
Income taxes paid, net of refunds	Income taxes paid, net of refunds	**$1,380**	$1,346
Income taxes paid, net of refunds			
Income taxes paid, net of refunds			
Interest paid	Interest paid	**$1,019**	$ 923
Interest paid			
Interest paid			

(1) *Amounts have been restated to reflect the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.*

(2) *Includes $425 million reported in Assets of businesses held for sale as of January 1, 2022.*

(3) *Restricted cash and cash equivalents were reported in other long-term investments.*

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

THE CIGNA GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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Note 1 – Description of Business

The Cigna Group, together with its subsidiaries (either individually or collectively referred to as the "Company," "we," "us" or "our"), is a global health company with committed to creating a better future built on the vitality of every individual and every community. We relentlessly challenge ourselves to partner and innovate solutions for better health. Powered by our people and our brands, we advance our mission to improve the health and vitality of helping those we serve improve their health and vitality. serve.

Our subsidiaries offer a differentiated set of pharmacy, medical, behavioral, dental and related products and services.

The majority of these products and services are offered through employers and other groups such as governmental and non-governmental organizations, unions and associations. Cigna Healthcare also offers commercial health and dental insurance and Medicare products to individuals in the United States and selected international markets. In addition to these ongoing operations, The Cigna Group also has certain run-off operations.

A full description of our segments follows:

The ***Evernorth Health Services*** includes a broad range reportable segment now presents the Pharmacy Benefit Services and the Specialty and Care Services operating segments, which partner with health plans, employers, governmental organizations and health care providers to solve challenges in the areas of coordinated pharmacy benefits, home delivery pharmacy, specialty pharmacy, specialty distribution, and point solution health care delivery and management solutions.

Pharmacy Benefit Services drives high-quality, cost-effective pharmacy care through various services such as drug claim adjudication, retail pharmacy network administration, benefit design consultation, drug utilization review, drug formulary management and capabilities, access to our home delivery pharmacy. Specialty and Care Services provides specialty drugs for the treatment of complex and rare diseases, specialty distribution of pharmaceuticals and medical supplies, as well as those from partners across the clinical programs to help our clients drive better whole-person health care system, in Pharmacy Benefits, Home Delivery Pharmacy, Specialty Pharmacy, Distribution and outcomes through Care Delivery and Management Solutions, which are provided to health plans, employers, government organizations Solutions. The Company's reporting units remain aligned with its operating segments and health care providers. goodwill was allocated on a relative fair value basis.

The ***Cigna Healthcare*** reportable segment includes the U.S. Commercial, U.S. Government Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. U.S. Commercial products Healthcare provides medical plans and services include medical, pharmacy, behavioral health, dental specialty benefits and other products and services solutions for insured and self-insured clients. U.S. Government solutions include clients, Medicare Advantage, Medicare Supplement and Medicare Part D plans Stand-Alone Prescription Drug Plans for seniors and individual health insurance plans. International Health solutions include provides health care coverage solutions in our international markets, as well as health care benefits for globally mobile individuals and employees of multinational organizations.

In January 2024, the Company entered into a definitive agreement to sell the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses within the U.S. Healthcare operating segment to Health Care Service Corporation ("HCSC") for approximately $3.3 billion cash, subject to applicable regulatory approvals and other customary closing conditions (the "HCSC transaction"). See Note 5 to the Consolidated Financial Statements for further information.

Other Operations comprises the remainder of our business operations, which includes ongoing businesses and exited businesses. Our ongoing businesses include our continuing business (corporate-owned life insurance ("COLI")) and our run-off and other non-strategic businesses. Our run-off businesses include (i) variable annuity reinsurance business (also referred to as guaranteed minimum death benefit ("GMDB") and guaranteed minimum income benefit ("GMIB") business) that was effectively exited through reinsurance with Berkshire Hathaway Life Insurance Company of Nebraska ("Berkshire") in 2013, (ii) settlement annuity business, and (iii) individual life insurance and annuity and retirement benefits businesses comprised of deferred gains from the sales of these businesses. Our exited businesses include our interest in a joint venture in Türkiye, which was were sold in December 2022 and the international life, accident and supplemental benefits businesses sold in July 2022 (the "Chubb transaction"). through reinsurance agreements.

Corporate reflects amounts not allocated to operating segments, including net interest expense (defined as interest on corporate financing less net investment income on investments not supporting segment and other operations), certain litigation matters, expense associated with our frozen pension plans, charitable contributions, operating severance, certain overhead and enterprise-wide project costs and eliminations for products and services sold between segments.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements include the accounts of The Cigna Group and its consolidated subsidiaries. Intercompany transactions and accounts have been eliminated in consolidation. These Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Certain amounts in prior years related to the adoption of Targeted Improvements for the Accounting of Long-Duration Contracts, have been reclassified to conform to the current year presentation. See "Recent Accounting Pronouncements" below.

Amounts recorded in the Consolidated Financial Statements necessarily reflect management's estimates and assumptions about medical costs, investment, tax and receivable valuations, interest rates and other factors. Significant estimates are discussed throughout these Notes; however, actual results could differ from those estimates. The impact of a change in estimate is generally included in earnings in the period of adjustment.

These interim Consolidated Financial Statements are unaudited but include all adjustments (including normal recurring adjustments) necessary, in the opinion of management, for a fair statement of financial position and results of operations for the periods reported. The interim Consolidated Financial Statements and Notes should be read in conjunction with the Consolidated Financial Statements and Notes included in the 2022 2023 Annual Report on Form 10-K ("2022 2023 Form 10-K"). The preparation of interim Consolidated Financial Statements necessarily relies heavily on estimates. This and other factors, including the seasonal nature of portions of the health care and related benefits business, as well as competitive and other market conditions, call for caution in estimating full-year results based on interim results of operations.

Recent Accounting Pronouncements

The Company's 2022 2023 Form 10-K includes discussion of significant recent accounting pronouncements that either have impacted or may impact our financial statements in the future. The following information provides There are no updates on significant accounting pronouncements recently adopted accounting pronouncements or recently issued and not yet adopted that have occurred since the Company filed its 2022 2023 Form 10-K. There are no significant accounting pronouncements not yet adopted as of September 30, 2023.

Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI"), Accounting Standards Update ("ASU") 2018-12 and related amendments

The Cigna Group adopted LDTI January 1, 2023, which includes the following key provisions:

- Changes to the measurement of the future policy benefits liability for traditional and limited-pay insurance contracts:
  - Assumptions used to measure cash flows (such as mortality, morbidity and lapse assumptions) are updated at least annually with the effect of changes in those assumptions remeasured retrospectively and reflected in current period net income.
  - Discount rate assumptions are updated quarterly based on market-level yields for low credit risk fixed income instruments ("upper-medium grade fixed income instrument"), with any changes reflected in other comprehensive income. The upper-medium grade fixed income instrument yield is interpreted to mean A-rated.
- Deferred policy acquisition costs ("DAC") related to long-duration insurance contracts are amortized on a constant-level basis over the expected term of the related contracts. Other related deferred or capitalized balances (such as unearned revenue liability and value of business acquired) may use this simplified amortization method.
- Market risk benefits ("MRB"), defined as protecting the contractholder from other-than-nominal capital market risk and exposing the insurer to that risk, are measured at fair value, with changes in fair value recognized in net income each period, except for the effect of the Company's change in nonperformance risk (own credit risk), which is recognized in other comprehensive income.
- Additional disclosures, including disaggregated roll forwards for the liability for future policy benefits, market risk benefits, separate account liabilities and DAC, as well as information about significant inputs, judgments, assumptions and methods used in measurement.
- The transition methods applied at adoption were:
  - The liability for future policy benefits was remeasured using a modified retrospective approach applied to all outstanding contracts as of the beginning of the earliest period presented and was recognized in the opening balance of retained earnings. The impact of remeasuring the future policy benefits liability for the discount rate was recorded through accumulated other comprehensive income.
  - DAC followed the transition method used for future policyholder benefits.
  - Market risk benefits were remeasured at fair value at the beginning of the earliest period presented. The difference between this fair value and carrying value was recognized in the opening balance of retained earnings, excluding the effect of the Company's change in nonperformance risk (own credit risk), which is recognized in accumulated other comprehensive income.

Effects of adoption:

- The new guidance applies to our long-duration insurance products predominantly within the Cigna Healthcare segment and Other Operations.
- The cumulative effects of adopting the new standard were immaterial. The impacts were a decrease to January 1, 2021 Shareholders' equity of $139 million and an increase to Shareholders' net income for the year ended December 31, 2022 and December 31, 2021 of $36 million and $5 million, respectively. The corresponding impact to diluted earnings per share was an increase of $0.11 and $0.02 for the year ended December 31, 2022 and December 31, 2021, respectively.
- The prior periods within our Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Total Equity and Consolidated Statements of Cash Flows were restated to conform to the current presentation.
- Prior period balances in the Company's footnote disclosures have been updated to reflect adjustments resulting from the adoption of this standard. Refer to Note 9 to the Consolidated Financial Statements for the Company's updated accounting policies.
- It is possible that our income recognition pattern could change on a prospective basis for several reasons:
  - Applying periodic assumption updates, versus the locked-in model, may change our timing of profit or loss recognition.
  - DAC amortization is on a constant level basis over the expected term of the related contracts and no longer tied to the emergence of profit on such contracts.

Additionally, in December 2022, the Financial Accounting Standards Board ("FASB") published ASU 2022-05, which simplified the retrospective adoption of LDTI by permitting companies to make an accounting policy election to exclude contracts that are sold and removed from the balance sheet prior to the effective date of the standard from the retrospective adoption of LDTI. The Cigna Group made this policy election for the contracts sold in the Chubb transaction and our divested interest in a joint venture in Türkiye.

Note 3 – Accounts Receivable, Net

The following amounts were included within Accounts receivable, net:

(In millions)	*(In millions)*	**September 30, 2023**	**December 31, 2022**	*(In millions)*	**March 31, 2024**	**December 31, 2023**
Noninsurance customer receivables	Noninsurance customer receivables	**$ 8,384**	$ 6,899			
Pharmaceutical manufacturers receivables	Pharmaceutical manufacturers receivables	**8,188**	7,108			
Insurance customer receivables	Insurance customer receivables	**2,256**	2,963			
Other receivables	Other receivables	**255**	248			
Total	Total	**$ 19,083**	$ 17,218			

Accounts receivable, net classified as assets of businesses held for sale	
Total	

These accounts receivable are reported net of our allowances of $3.3 billion $4.5 billion as of September 30, 2023 March 31, 2024 and $1.9 billion $3.7 billion as of December 31, 2022 December 31, 2023. These allowances include contractual allowances for certain rebates receivable with pharmaceutical manufacturers and certain accounts receivable from third-party payors, discounts and claims adjustments issued to customers in the form of client credits, an allowance for current expected credit losses and other non-credit adjustments.

The Company's allowance for current expected credit losses was $96 million $91 million as of September 30, 2023 March 31, 2024 and $86 million $90 million as of December 31, 2022 December 31, 2023.

Accounts Receivable Factoring Facility

In July 2023, the The Company entered into maintains an uncommitted factoring facility (the "Facility") under which certain accounts receivable may be sold on a non-recourse basis to a financial institution. The Facility's total capacity is $1.0 billion and began in July 2023 with an initial term of two years, followed by automatic one year renewal terms unless terminated by either party. The transactions under Further information regarding the accounting policy for the Facility are accounted for as a sale and recorded as a reduction to accounts receivable can be found in the Consolidated Balance Sheets because control of, and risk related to, the accounts receivable are transferred to the financial institution. Although the sale is made without recourse, we provide collection services related to the transferred assets. Amounts associated with this Facility are reflected within Net cash provided by operating activities Note 3 in the Company's Consolidated Statements of Cash Flows. Factoring fees paid under this Facility are reflected in Interest expense and other in the Consolidated Statements of Income. 2023 Form 10-K.

During For the three months ended September 30, 2023 March 31, 2024, we sold $1.0 billion $1.9 billion of accounts receivable under the Facility and factoring fees paid were not material. As of September 30, 2023 March 31, 2024, there were $253 million $93 million of sold accounts receivable that have not been collected from manufacturers and have been removed from the Company's Consolidated Balance Sheets. There At December 31, 2023, all sold accounts receivable had been collected from manufacturers. As of March 31, 2024 and December 31, 2023, there were $512 million $722 million and $515 million, respectively, of amounts received collections from manufacturers but that have not yet been remitted to the financial institution. Such amounts are recorded within Accrued expenses and other liabilities on in the Consolidated Balance Sheets.

Note 4 – Supplier Finance Program

The Company facilitates a voluntary supplier finance program (the "Program") that provides suppliers the opportunity to sell their accounts receivable due from us (i.e., our payment obligations to the suppliers) to a financial institution, on a non-recourse basis, in order to be paid earlier than our payment terms require. The Cigna Group is not a party to Further information regarding the Program and agrees to commercial Program's terms with its suppliers independently of their participation can be found in Note 4 in the Program. Amounts due to suppliers that participate in the Program are generally paid within one month following the invoice date. A supplier's participation in the Program has no impact on the Company's payment terms and the Company has no economic interest in a supplier's decision to participate in the Program. The suppliers, at their sole discretion, determine which invoices, if any, to sell to the financial institution. No guarantees or pledged assets are provided by the Company or any of our subsidiaries under the Program. 2023 Form 10-K.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, $1.6 billion and $1.3 $1.5 billion, respectively, of the Company's outstanding payment obligations were confirmed as valid within the Program by the financial institution and are reflected in Accounts payable in the

Consolidated Balance Sheets. The amounts confirmed as valid for both periods are predominately associated with one supplier. As of September 30, 2023 March 31, 2024, we have been informed by the financial institution that $378 $327 million of the Company's outstanding payment obligations were voluntarily elected by suppliers to be sold to the financial institution under the Program.

Note 5 – Assets and Liabilities of Businesses Held for Sale

Note 5 – Mergers, Acquisitions In January 2024, the Company entered into the HCSC transaction for a total purchase price of approximately $3.3 billion cash, subject to applicable regulatory approvals and Divestitures

other customary closing conditions. The transaction is expected to close in the first quarter of 2025.

A. The assets and liabilities of businesses held for sale were as follows:

(In millions)	**March 31, 2024**	**December 31, 2023**
Cash and cash equivalents	**$ 1,660**	$ 467
Investments	**1,341**	1,438
Accounts receivable, net	**959**	1,122
Other assets, including Goodwill (1)	**2,394**	2,963
Total assets of businesses held for sale	**6,354**	5,990
Insurance and contractholder liabilities	**2,081**	1,636
All other liabilities	**1,134**	1,059
Total liabilities of businesses held for sale	**$ 3,215**	$ 2,695

(1)Investment in CarepathRx Health Systems Solutions Includes Goodwill of $396 million as of March 31, 2024 and December 31, 2023.

Integration and Transaction-related Costs

In July 2023, Evernorth Health, Inc. acquired a minority interest in CarepathRx Health Systems Solutions ("CHSS"), a provider of integrated hospital pharmacy solutions to support patients across their complete health care journey. This equity method investment is reported in Other assets and 2024, the Company's share of CHSS' net income or loss is reported in Fees and other revenues. The purchase price has been allocated Company incurred costs related to the acquired tangible and intangible assets, including customer relationships, trade names, internal-use software and goodwill. Amortization of the acquired intangibles is included in Fees and other revenues. The Company's share of CHSS' net loss and amortization of acquired intangibles was immaterial for the three months ended September 30, 2023.

The Company guaranteed $125 million of CHSS' credit facilities through July 2026. The fair value of the guarantee is reflected in other liabilities and is not material. The acquisition also includes separate put and call options to increase our ownership which become exercisable annually beginning as early as April 2025. The net fair value of the options, determined using a Monte Carlo simulation, are not material and are included in Accrued expenses and other liabilities and Other assets, respectively.

B. Divestiture of International Businesses

HCSC transaction. In July 2022, 2023, the Company completed incurred net costs mainly related to the sale of its our international life, accident and supplemental benefits businesses in six countries (Hong Kong, Indonesia, New Zealand, South Korea, Taiwan and Thailand) (the "Chubb ("Chubb transaction") for approximately $5.4 billion in cash and recognized a gain of $1.7 billion pre-tax ($1.4 billion after-tax), which included recognition of previously unrealized capital losses on investments sold and translation loss on foreign currencies. In 2023, we recorded immaterial adjustments to the sales price reflecting resolution of certain contractual matters. In December 2022, the Company also divested its ownership interest in a joint venture in Türkiye.

C. Integration and Transaction-related Costs

In the first nine months of 2023 and 2022, the Company incurred net costs related to the Chubb transaction and continued strategic realignment initiatives. In 2022, the Company also incurred net costs primarily related to the sale of the Group Disability and Life business and acquisition of MDLIVE, Inc. These net costs were $13 million pre-tax ($9 million after-tax) for the three months ended and $20 million pre-tax ($15 million after-tax) for the nine months ended September 30, 2023, compared with $24 million pre-tax ($23 million after-tax) for the three months ended and $112 million pre-tax ($86 million after-tax) for the nine months ended September 30, 2022. These costs consisted primarily of certain projects to separate or integrate the Company's systems, products and services, fees for legal, advisory and other professional services and certain employment-related costs. These costs were $37 million pre-tax ($29 million after-tax) for the three months ended March 31, 2024 and $1 million pre-tax ($1 million after-tax) for the three months ended March 31, 2023.

Note 6 – Earnings Per Share

Basic and diluted earnings per share were computed as follows:

		Three Months Ended						
		Three Months Ended						
		Three Months Ended						
		March 31, 2024						
		March 31, 2024						
		March 31, 2024						
		Three Months Ended						
		September 30, 2023			September 30, 2022			
(Shares in thousands, dollars in millions, except per share amounts)	*(Shares in thousands, dollars in millions, except per share amounts)*	Basic	Effect of Dilution	Diluted	Basic	Effect of Dilution	Diluted	
Shareholders' net income		$ 1,408		$ 1,408	$ 2,757		$ 2,757	
(Shares in thousands, dollars in millions, except per share amounts)								
(Shares in thousands, dollars in millions, except per share amounts)								
Shareholders' net (loss) income								
Shareholders' net (loss) income								
Shareholders' net (loss) income								
Shares:								
Shares:								
Shares:	**Shares:**							

Weighted average	Weighted average	**294,058**		**294,058**	303,854		303,854
Weighted average							
Weighted average							
Common stock equivalents							
Common stock equivalents							
Common stock equivalents	Common stock equivalents		**3,073**	**3,073**		3,663	3,663
Total shares	Total shares	**294,058**	**3,073**	**297,131**	303,854	3,663	307,517
Total shares							
Total shares							
Earnings per share	Earnings per share	$ **4.79**	$ **(0.05)**	$ **4.74**	$ 9.07	$ (0.10)	$ 8.97
Earnings per share							
Earnings per share							

	Nine Months Ended					
	September 30, 2023			September 30, 2022		
(Shares in thousands, dollars in millions, except per share amounts)	Basic	Effect of Dilution	Diluted	Basic	Effect of Dilution	Diluted
Shareholders' net income	$ **4,135**		$ **4,135**	$ 5,511		$ 5,511
Shares:						
Weighted average	**294,752**		**294,752**	312,434		312,434
Common stock equivalents		**2,911**	**2,911**		3,213	3,213
Total shares	**294,752**	**2,911**	**297,663**	312,434	3,213	315,647
Earnings per share	$ **14.03**	$ **(0.14)**	$ **13.89**	$ 17.64	$ (0.18)	$ 17.46

Amounts reflected above Due to the Shareholders' net loss for the three and nine months ended September 30, 2022 have been restated to reflect the impact of adopting amended accounting guidance for long-duration insurance contracts (discussed in Note 2 to the Consolidated Financial Statements).

The following March 31, 2024, 8.2 million outstanding employee stock options, unvested restricted stock grants and units and strategic performance shares were not included excluded in the computation of diluted earnings per share because their effect was anti-dilutive: anti-dilutive. For the three months ended March 31, 2023, 0.9 million outstanding employee stock options were excluded in the computation of diluted earnings per share because their effect was anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2023	2022	2023	2022
Anti-dilutive options	**0.9**	—	**0.9**	1.3

The Company held approximately 105.7 million 117.8 million shares of common stock in treasury at September 30, 2023 March 31, 2024, 99.1 million 107.4 million shares as of December 31, 2022 December 31, 2023 and 91.8 million 102.7 million shares as of September 30, 2022 March 31, 2023.

The increase in Treasury stock as of March 31, 2024 and the reduction in weighted average shares outstanding for the three months ended March 31, 2024 was driven in part by 7.6 million shares of our common stock repurchased in February 2024 under the accelerated share repurchase agreements (the "ASR agreements"). Additionally, we expect final settlement of the ASR agreements to occur in the second quarter of 2024. See Note 8 for additional information.

Note 7 – Debt

The outstanding amounts of debt net (net of issuance costs, discounts or premiums, premiums) and finance leases were as follows:

(In millions)	*(In millions)*	September 30, 2023	December 31, 2022	*(In millions)*	March 31, 2024	December 31, 2023
Short-term debt	**Short-term debt**					
Commercial paper	Commercial paper	$ **1,513**	$ —			
	$17 million, 8.300% Notes due January 2023	—	17			
	$63 million, 7.650% Notes due March 2023	—	63			

$700 million, Floating Rate Notes due July 2023		—	700
$1,000 million, 3.000% Notes due July 2023		—	994
$1,187 million, 3.750% Notes due July 2023		—	1,186
Commercial paper			
Commercial paper			
$500 million, 0.613% Notes due March 2024	$500 million, 0.613% Notes due March 2024	**500**	—
$1,000 million, 3.500% Notes due June 2024		**994**	—
$500 million, 0.613% Notes due March 2024			
$500 million, 0.613% Notes due March 2024			
$790 million, 3.500% Notes due June 2024 (1)			
Other, including finance leases	Other, including finance leases	**39**	33
Total short-term debt	Total short-term debt	**$ 3,046**	$ 2,993
Long-term debt	**Long-term debt**		
$500 million, 0.613% Notes due March 2024		**$ —**	$ 499
$1,000 million, 3.500% Notes due June 2024		—	990
$900 million, 3.250% Notes due April 2025 (1)		**871**	872
$2,200 million, 4.125% Notes due November 2025		**2,197**	2,195
$1,500 million, 4.500% Notes due February 2026		**1,502**	1,503
$800 million, 1.250% Notes due March 2026		**798**	797
$900 million, 3.250% Notes due April 2025 (2)			
$900 million, 3.250% Notes due April 2025 (2)			
$900 million, 3.250% Notes due April 2025 (2)			
$1,216 million, 4.125% Notes due November 2025 (1)			
$1,284 million, 4.500% Notes due February 2026 (1)			

$550 million, 1.250% Notes due March 2026 (1)			
$700 million, 5.685% Notes due March 2026	$700 million, 5.685% Notes due March 2026	**697**	—
$1,500 million, 3.400% Notes due March 2027	$1,500 million, 3.400% Notes due March 2027	**1,448**	1,436
$259 million, 7.875% Debentures due May 2027	$259 million, 7.875% Debentures due May 2027	**259**	259
$600 million, 3.050% Notes due October 2027	$600 million, 3.050% Notes due October 2027	**597**	597
$3,800 million, 4.375% Notes due October 2028	$3,800 million, 4.375% Notes due October 2028	**3,787**	3,785
$1,500 million, 2.400% Notes due March 2030		**1,492**	1,492
$1,500 million, 2.375% Notes due March 2031 (1)		**1,359**	1,380
$45 million, 8.080% Step Down Notes due January 2033 (2)		**45**	45
$1,000 million, 5.000% Notes due May 2029			
$1,400 million, 2.400% Notes due March 2030 (1)			
$1,500 million, 2.375% Notes due March 2031 (2)			
$750 million, 5.125% Notes due May 2031			
$45 million, 8.080% Step Down Notes due January 2033 (3)			

$800 million, 5.400% Notes due March 2033	$800 million, 5.400% Notes due March 2033	**794**	—
$1,250 million, 5.250% Notes due February 2034			
$190 million, 6.150% Notes due November 2036	$190 million, 6.150% Notes due November 2036	**190**	190
$2,200 million, 4.800% Notes due August 2038	$2,200 million, 4.800% Notes due August 2038	**2,193**	2,192
$750 million, 3.200% Notes due March 2040	$750 million, 3.200% Notes due March 2040	**743**	743
$121 million, 5.875% Notes due March 2041	$121 million, 5.875% Notes due March 2041	**119**	119
$448 million, 6.125% Notes due November 2041	$448 million, 6.125% Notes due November 2041	**487**	488
$317 million, 5.375% Notes due February 2042	$317 million, 5.375% Notes due February 2042	**315**	315
$1,500 million, 4.800% Notes due July 2046	$1,500 million, 4.800% Notes due July 2046	**1,466**	1,466
$1,000 million, 3.875% Notes due October 2047	$1,000 million, 3.875% Notes due October 2047	**989**	989
$3,000 million, 4.900% Notes due December 2048	$3,000 million, 4.900% Notes due December 2048	**2,969**	2,968
$1,250 million, 3.400% Notes due March 2050	$1,250 million, 3.400% Notes due March 2050	**1,237**	1,236
$1,500 million, 3.400% Notes due March 2051	$1,500 million, 3.400% Notes due March 2051	**1,478**	1,478
$1,500 million, 5.600% Notes due February 2054			

Other, including finance leases	Other, including finance leases	**62**	66
Total long-term debt	Total long-term debt	**$ 28,094**	$ 28,100

(1) Included in the February 2024 debt tender offers discussed below.

(2) The Company has entered into interest rate swap contracts hedging a portion of these fixed-rate debt instruments. See Note 11 in to the Company's 2022 Form 10-K Consolidated Financial Statements for further information about the Company's interest rate risk management and these derivative instruments.

(2) (3) Interest rate step down to 8.080% effective January 15, 2023.

Long-term debt

Debt Issuance. On March 7, 2023, the Company issued $1.5 billion of new senior notes. The proceeds of this issuance were used for general corporate purposes, and included repayment of outstanding debt securities. Interest on this debt is paid semi-annually.

Principal	Maturity Date	Interest Rate	Net Proceeds
$700 million (1)	March 15, 2026	5.685%	$698 million
$800 million (2)	March 15, 2033	5.400%	$796 million

(1) Redeemable at any time discounted at the U.S. Treasury rate plus 20 basis points. Redeemable at par on or after March 15, 2024.

(2) Redeemable at any time discounted at the U.S. Treasury rate plus 25 basis points. Redeemable at par on or after December 15, 2032.

Short-term and Credit Facilities Debt

Revolving Credit Agreements. Our revolving credit agreements provide us with the ability to borrow amounts for general corporate purposes, including providing liquidity support if necessary under our commercial paper program discussed below. As of September 30, 2023 March 31, 2024, there were no outstanding balances under these revolving credit agreements.

In April 2023, 2024, The Cigna Group entered replaced our existing $4.0 billion five-year revolving credit and letter of credit agreement maturing in April 2028 and a $1.0 billion 364-day revolving credit agreement maturing in April 2024 by entering into the following revolving credit agreements (the "Credit Agreements"):

- a $4.0 billion $5.0 billion five-year revolving credit and letter of credit agreement that will mature in April 2028 2029 with an option to extend the maturity date for additional one-year periods, subject to consent of the banks. The Company can borrow up to $4.0 billion $5.0 billion under the credit agreement for general corporate purposes, with up to $500 million available for issuance of letters of credit.
- a $1.0 billion $1.5 billion 364-day revolving credit agreement that will mature in April 2024. 2025. The Company can borrow up to $1.0 billion $1.5 billion under the credit agreement for general corporate purposes. This agreement includes the option to "term out" any revolving loans that are outstanding at maturity by converting them into a term loan maturing on the one-year anniversary of conversion.

The increase in the aggregate size of our revolving credit agreements from $5.0 billion to $6.5 billion will provide enhanced liquidity to support the continued growth of our business.

Each of the Credit Agreements include an option to increase commitments in an aggregate amount of up to $1.5 billion across both facilities for a maximum total commitment of $6.5 billion $8.0 billion. The Credit Agreements allow for borrowings at either a base rate or an adjusted term Secured Overnight Funding Rate ("SOFR") plus, in each case, an applicable margin based on the Company's senior unsecured credit ratings.

Each of the two facilities is diversified among 21 22 large commercial banks, all of which had an A- equivalent or higher rating by at least one Nationally Recognized Statistical Rating Organization ("NRSRO") as of September 30, 2023 March 31, 2024. Each facility also contains customary covenants and restrictions, including a financial covenant that the Company's leverage ratio, as defined in the Credit Agreements, may not exceed 60% subject to certain exceptions upon the consummation of an acquisition.

The Credit Agreements replaced a prior $3.0 billion five-year revolving credit and letter of credit agreement maturing in April 2027; a $1.0 billion three-year revolving credit agreement maturing in April 2025; and a $1.0 billion 364-day revolving credit agreement maturing in April 2023.

Commercial Paper. Under our commercial paper program, we may issue short-term, unsecured commercial paper notes privately placed on a discounted basis through certain broker-dealers at any time not to exceed an aggregate amount of $5.0 billion. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The net proceeds of issuances have been and are expected to be used for general corporate purposes. The weighted average interest rate of our commercial paper was 5.50% 5.54% at September 30, 2023 March 31, 2024.

Long-term debt

Debt Covenants. Issuance and Debt Tender Offers. In February 2024, we issued $4.5 billion of new senior notes, as detailed in the table below. The proceeds from this debt were used to pay the consideration for the cash tender offers as described below. We used the remaining net proceeds to fund the repayment of our senior notes which matured in March 2024 and for general corporate purposes, including repayment of indebtedness and repurchases of shares of our common stock. Interest on this debt is paid semi-annually.

Principal	Maturity Date	Interest Rate	Net Proceeds
$1,000 million (1)	May 15, 2029	5.000%	$995 million
$750 million (2)	May 15, 2031	5.125%	$746 million
$1,250 million (3)	February 15, 2034	5.250%	$1,244 million
$1,500 million (4)	February 15, 2054	5.600%	$1,485 million

(1) *Redeemable at any time prior to April 15, 2029 at a "make whole" premium calculated using the most directly comparable U.S. Treasury rate plus 15 basis points. Redeemable at par on or after April 15, 2029.*

(2) *Redeemable at any time prior to March 15, 2031 at a "make whole" premium calculated using the most directly comparable U.S. Treasury rate plus 15basis points. Redeemable at par on or after March 15, 2031.*

(3) *Redeemable at any time prior to November 15, 2033 at a "make whole" premium calculated using the most directly comparable U.S. Treasury rate plus 20basis points. Redeemable at par on or after November 15, 2033.*

(4) *Redeemable at any time prior to August 15, 2053 at a "make whole" premium calculated using the most directly comparable U.S. Treasury rate plus 20basis points. Redeemable at par on or after August 15, 2053.*

In the first quarter of 2024, the Company completed the repurchase of a total of $1.8 billion in aggregate principal amount of existing senior notes that were tendered to the Company pursuant to cash tender offers.

Interest Expense

Interest expense on long-term and short-term debt was $369 million for the three months ended March 31, 2024 and $345 million for the three months ended March 31, 2023.

Debt Covenants

The Company was in compliance with its debt covenants as of September 30, 2023.

Interest Expense

Interest expense on corporate financing was $353 million for the three months ended and $1,048 million for the nine months ended September 30, 2023, compared with $317 million for the three months ended and $947 million for the nine months ended September 30, 2022 March 31, 2024.

Note 8 – Common and Preferred Stock

Dividends

During

In the first nine months quarter of 2024, The Cigna Group declared quarterly cash dividends of $1.40 per share of the Company's common stock. In the first quarter of 2023, The Cigna Group declared quarterly cash dividends of $1.23 per share of the Company's common stock. During the first nine months of 2022, The Cigna Group declared quarterly cash dividends of $1.12 per share of the Company's common stock.

The following table provides details of the Company's dividend payments:

Record Date	Payment Date	Amount per Share	Total Amount Paid *(in millions)*
2023			
March 8, 2023	**March 23, 2023**	**$1.23**	**$368**
June 7, 2023	**June 22, 2023**	**$1.23**	**$362**
September 6, 2023	**September 21, 2023**	**$1.23**	**$362**
2022			
March 9, 2022	March 24, 2022	$1.12	$357
June 8, 2022	June 23, 2022	$1.12	$352
September 7, 2022	September 22, 2022	$1.12	$341

Record Date	Payment Date	Amount per Share	Total Amount Paid *(in millions)*
2024			
March 6, 2024	**March 21, 2024**	**$1.40**	**$401**
2023			
March 8, 2023	March 23, 2023	$1.23	$368

On October 25, 2023 April 24, 2024, the Board of Directors declared the fourth second quarter cash dividend of $1.23 $1.40 per share of The Cigna Group common stock to be paid on December 21, 2023 June 20, 2024 to shareholders of record on December 6, 2023 June 4, 2024. The Company currently intends to pay regular quarterly dividends, with future declarations subject to approval by its Board of Directors and the Board's determination that the declaration of dividends remains in the best interests of The Cigna Group and its shareholders. The decision of whether to pay future dividends and the amount of any such dividends will be based on the Company's financial position, results of operations, cash flows, capital requirements, the requirements of applicable law and any other factors the Board may deem relevant.

Accelerated Share Repurchase Agreements

In February 2024, as part of our share repurchase program, we entered into separate accelerated share repurchase agreements with Deutsche Bank AG and Bank of America, N.A. (collectively, the "Counterparties") to repurchase $3.2 billion of common stock in aggregate. We remitted $3.2 billion to the Counterparties and received an initial delivery of approximately 7.6 million shares of our common stock on February 15, 2024, representing $2.6 billion of the total remitted. The final number of shares to be received under the ASR agreements will be determined based on the daily volume-weighted average share price ("VWAP") of our common stock over the term of the agreements, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements.

We recorded the payment to the Counterparties as a reduction to Total shareholders' equity, consisting of a $2.6 billion increase in Treasury stock, which reflects the value of the initial 7.6 million shares received, and a $640 million decrease in Additional paid-in capital, which reflects the value of the stock hold-back by the Counterparties pending final settlement of the ASR agreements. The $640 million recorded in Additional paid-in capital will be reclassified to Treasury stock upon settlement of the ASR agreements in the second quarter of 2024. The initial delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

Note 9 – Insurance and Contractholder Liabilities

A. Account Balances – Insurance and Contractholder Liabilities

The Company's insurance and contractholder liabilities were comprised of the following:

		September 30, 2023			**December 31, 2022**			**September 30, 2022**
(In millions)	*(In millions)*	**Current**	**Non-current**	**Total**	Current	Non-current	Total	Total
Unpaid claims and claim expenses	**Unpaid claims and claim expenses**							
Cigna Healthcare	Cigna Healthcare	**$ 5,240**	**$ 77**	**$ 5,317**	$ 4,117	$ 59	$ 4,176	$ 4,250
Other Operations	Other Operations	**105**	**169**	**274**	107	177	284	280
Future policy benefits	**Future policy benefits**							
Cigna Healthcare	Cigna Healthcare	**64**	**526**	**590**	43	544	587	593
Other Operations	Other Operations	**164**	**3,216**	**3,380**	150	3,442	3,592	3,610
Contractholder deposit funds	**Contractholder deposit funds**							
Cigna Healthcare	Cigna Healthcare	**12**	**139**	**151**	14	157	171	181
Other Operations	Other Operations	**364**	**6,243**	**6,607**	351	6,358	6,709	6,747
Market risk benefits	Market risk benefits	**41**	**893**	**934**	51	1,217	1,268	1,337
Unearned premiums	Unearned premiums	**1,362**	**23**	**1,385**	576	22	598	1,283

March 31, 2024

	March 31, 2024			**December 31, 2023**			**March 31, 2023**
(In millions)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**	

Cigna Healthcare

Cigna Healthcare

Cigna Healthcare

Cigna Healthcare

Cigna Healthcare

Cigna Healthcare

Total

Insurance and contractholder liabilities classified as liabilities of businesses held for sale (1)

Insurance and contractholder liabilities classified as liabilities of businesses held for sale (1)

Insurance and contractholder liabilities classified as liabilities of businesses held for sale (1)

Total insurance and contractholder liabilities	Total insurance and contractholder liabilities	**$ 7,352**	**$ 11,286**	**$ 18,638**	$ 5,409	$ 11,976	$ 17,385	$	18,281
Total insurance and contractholder liabilities									
Total insurance and contractholder liabilities									

(1) Amounts classified as liabilities of businesses held for sale include $1,378 million of Unpaid claims, $427 million of Future policy benefits, $161 million of Unearned premiums and $115 million of Contractholder deposit funds as of March 31, 2024 and $823 millionof Unpaid claims, $429 million of Future policy benefits, $261 million of Unearned premiums and $123 million of Contractholder deposit funds as of December 31, 2023.

Insurance and contractholder liabilities expected to be paid within one year are classified as current. The Company adopted amended accounting guidance for long-duration insurance contracts on January 1, 2023, discussed further in Note 2 to the Consolidated Financial Statements, which resulted in restatement of prior period amounts. Additionally, see below updated accounting policies and incremental disclosures associated with future policy benefits (Note 9C), contractholder deposit funds (Note 9D), and market risk benefits (Note 9E).

B. <u>Unpaid Claims and Claim Expenses – Cigna Healthcare</u>

This liability reflects estimates of the ultimate cost of claims that have been incurred but not reported, including expected development on reported claims, those claims that have been reported but not yet paid (reported claims in process) and other medical care expenses and services payable that are primarily comprised of accruals for incentives and other amounts payable to health care professionals and facilities.

The total of incurred but not reported liabilities plus expected development on reported claims including and reported claims in process was $5.0 billion $5.4 billion at September 30, 2023 March 31, 2024 and $4.0 billion $4.6 billion at September 30, 2022 March 31, 2023. This increase was primarily due to claim submission and payment process disruptions related to a third-party cyber incident.

Activity, net of intercompany transactions, in the unpaid claims liability for the Cigna Healthcare segment was as follows:

		Nine Months Ended	
(In millions)		**September 30, 2023**	**September 30, 2022**
		Three Months Ended March 31,	
		Three Months Ended March 31,	
		Three Months Ended March 31,	
(In millions)			
Beginning balance			
Beginning balance			
Beginning balance	Beginning balance	**$ 4,176**	$ 4,261
Less: Reinsurance and other amounts recoverable	Less: Reinsurance and other amounts recoverable	**221**	261
Less: Reinsurance and other amounts recoverable			
Less: Reinsurance and other amounts recoverable			
Beginning balance, net			
Beginning balance, net			
Beginning balance, net	Beginning balance, net	**3,955**	4,000
Incurred costs related to:	**Incurred costs related to:**		
Incurred costs related to:			
Incurred costs related to:			
Current year			
Current year			
Current year	Current year	**26,788**	23,431
Prior years	Prior years	**(237)**	(278)
Prior years			
Prior years			
Total incurred			
Total incurred			
Total incurred	Total incurred	**26,551**	23,153

Paid costs related to:	**Paid costs related to:**		
Paid costs related to:			
Paid costs related to:			
Current year			
Current year			
Current year	Current year	**22,053**	19,655
Prior years	Prior years	**3,362**	3,450
Prior years			
Prior years			
Total paid			
Total paid			
Total paid	Total paid	**25,415**	23,105
Ending balance, net	Ending balance, net	**5,091**	4,048
Ending balance, net			
Ending balance, net			
Add: Reinsurance and other amounts recoverable			
Add: Reinsurance and other amounts recoverable			
Add: Reinsurance and other amounts recoverable	Add: Reinsurance and other amounts recoverable	**226**	202
Ending balance	Ending balance	**$ 5,317**	$ 4,250
Ending balance			
Ending balance			

(1) *Includes unpaid claims amounts classified as liabilities of businesses held for sale. As of March 31, 2024and December 31, 2023, $1,378 million and $823 million classified as liabilities of businesses held for sale, respectively.*

Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims of certain business for which the Company administers the plan benefits without any right of offset. See Note 10 to the Consolidated Financial Statements for additional information on reinsurance.

Variances in incurred costs related to prior years' unpaid claims and claim expenses that resulted from the differences between actual experience and the Company's key assumptions were as follows:

		Nine Months Ended								
		September 30, 2023		**September 30, 2022**						
		Three Months Ended March 31,								
		Three Months Ended March 31,								
		Three Months Ended March 31,								
		2024					**2024**		**2023**	
(Dollars in millions)	*(Dollars in millions)*	**$**	**% (1)**	**$**	**% (2)**	*(Dollars in millions)*	**$**	**% (1)**	**$**	**% (2)**
Actual completion factors	Actual completion factors	**$ 45**	**0.2 %**	$ 81	0.3 %	Actual completion factors	**$ 76**	**0.2 0.2 %**	**%** $ 1	— — % %
Medical cost trend	Medical cost trend	**192**	**0.6**	197	0.6					
Total favorable variance	Total favorable variance	**$237**	**0.8 %**	$278	0.9 %					
Total favorable variance										
Total favorable variance							**$ 226**	**0.6 %**	$ 144	0.5 %

(1) *Percentage of current year incurred costs as reported for the year ended December 31, 2022 December 31, 2023.*

(2) *Percentage of current year incurred costs as reported for the year ended December 31, 2021 December 31, 2022.*

Favorable prior year development in both years reflects lower than expected utilization of medical services as compared to our assumptions.

C. Future Policy Benefits

Accounting Policy. Future policy benefits represent the present value of estimated future obligations, estimated using actuarial methods, for long-duration insurance policies and annuity products currently in force, consisting primarily of reserves for annuity contracts, life insurance benefits, and certain supplemental health products that are guaranteed renewable beyond one year.

Contracts are grouped at a level no higher than issue year, based on the original contract issue date, and at lower levels of disaggregation within each issue year for certain businesses to reflect factors including product type, plan type and currency. Management estimates these obligations based on assumptions for premiums, interest rates, mortality or morbidity, future claim adjudication expenses and surrenders. Mortality, morbidity and surrender assumptions are based on the Company's own experience and published actuarial tables, and are updated at least annually, to the extent changes in circumstances require. Interest rate

assumptions are based onmarket-level yields for low credit risk fixed income instruments ("upper-medium grade fixed income instrument"). For interest accretion purposes, interest rates are fixed at the year of the cohort's inception, however for purposes of liability measurement, are updated to the current rate quarterly, with all changes in the interest rate from inception to current period reported through Accumulated other comprehensive loss. For contracts issued domestically, we use observable inputs from a published spot rate curve for terms up to 30 years and extrapolate for longer terms using a constant forward rate approach. For contracts issued by foreign operating entities with functional currencies other than the U.S. dollar, we use observable inputs to approximate a risk free rate and add a credit spread adjustment to align with a low credit risk fixed income instrument. For terms beyond the last observable risk free rates, which vary by international market, we extrapolate to the ultimate forward rate assuming a constant credit spread.

For the annuity business, the premium paying period is shorter than the benefit coverage period, and a deferred profit liability ("DPL") is reported in future policy benefits representing gross premium received in excess of net premiums. DPL is amortized based on expected future benefit payments.

Cigna Healthcare

The weighted average interest rates applied and duration for future policy benefits in the Cigna Healthcare segment, consisting primarily of supplemental health products including individual Medicare supplement, limited benefit health products and individual private medical insurance, were as follows:

		As of			As of	As of
		September 30, 2023	**September 30, 2022**		**March 31, 2024**	**March 31, 2023**
Interest accretion rate	Interest accretion rate	**2.85 %**	2.34 %	Interest accretion rate	**2.56 %**	2.59 %
Current discount rate	Current discount rate	**6.03 %**	5.67 %	Current discount rate	**5.11 %**	5.29 %
Weighted average duration	Weighted average duration	**7.0 years**	7.5 years	Weighted average duration	**7.8 years**	8.1 years

The net liability for future policy benefits for the segment's supplemental health products represents the present value of benefits expected to be paid to policyholders, net of the present value of expected net premiums, which is the portion of expected future gross premium expected to be collected from policyholders that is required to provide for all expected future benefits and expenses. The present values of expected net premiums and expected future policy benefits for the Cigna Healthcare segment are were as follows:

		Nine Months Ended				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
(In millions)	*(In millions)*	**September 30, 2023**	**September 30, 2022**	*(In millions)*	**2024** (1)	**2023**
Present value of expected net premiums	**Present value of expected net premiums**					

Beginning balance	Beginning balance	**$**	**8,557**	$	9,314
Beginning balance					
Beginning balance					
Reversal of effect of beginning of period discount rate assumptions	Reversal of effect of beginning of period discount rate assumptions		**1,537**		(367)
Effect of assumption changes and actual variances from expected experience (1)			**314**		1,101
Issuances and lapses					
Issuances and lapses					
Issuances and lapses	Issuances and lapses		**822**		718
Net premiums collected	Net premiums collected		**(1,019)**		(956)
Interest and other (2)	Interest and other (2)		**58**		44
Ending balance at original discount rate	Ending balance at original discount rate		**10,269**		9,854
Effect of end of period discount rate assumptions	Effect of end of period discount rate assumptions		**(1,681)**		(1,576)
Ending balance (3)	Ending balance (3)	**$**	**8,588**	$	8,278
Present value of expected policy benefits	**Present value of expected policy benefits**				
Present value of expected policy benefits					
Present value of expected policy benefits					
Beginning balance					
Beginning balance					
Beginning balance	Beginning balance	**$**	**8,945**	$	9,794
Reversal of effect of discount rate assumptions	Reversal of effect of discount rate assumptions		**1,611**		(379)
Effect of assumption changes and actual variances from expected experience (1)			**112**		1,006
Issuances and lapses					

Issuances and lapses			
Issuances and lapses	Issuances and lapses	**902**	827
Benefit payments	Benefit payments	**(1,017)**	(1,081)
Interest and other (2)	Interest and other (2)	**184**	161
Ending balance at original discount rate	Ending balance at original discount rate	**10,737**	10,328
Effect of discount rate assumptions	Effect of discount rate assumptions	**(1,765)**	(1,652)
Ending balance (4)	Ending balance (4)	**$ 8,972**	$ 8,676
Liability for future policy benefits	Liability for future policy benefits	**$ 384**	$ 398
Liability for future policy benefits			
Liability for future policy benefits			
Other (5)	Other (5)	**206**	195
Total liability for future policy benefits (6)		**$ 590**	$ 593
Total liability for future policy benefits (6)(7)			

(1) Includes the effect of actual variances from expectations, which (decreased)/increased the total liability for future policy benefits by $(12) million and $58 million, respectively, amounts classified as liabilities of businesses held for the nine months ended September 30, 2023 and September 30, 2022. sale.

(2) Includes the foreign exchange rate impact of translating from transactional and functional currency to United States dollar and the impact of flooring the liability at zero. The flooring impact is calculated at the cohort level after discounting the reserves at the current discount rate.

(3) As of September 30, 2023 March 31, 2024 and September 30, 2022, respectively, March 31, 2023 undiscounted expected future gross premiums were $18.5 billion $19.0 billion and $17.1 billion. $17.6 billion, respectively. As of September 30, 2023 March 31, 2024 and September 30, 2022, respectively, March 31, 2023 discounted expected future gross premiums were $12.5 billion $13.3 billion and $11.8 billion. $12.5 billion, respectively.

(4) As of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively, undiscounted expected future policy benefits were $13.1 billion $13.6 billion and $12.4 billion. $12.8 billion, respectively.

(5) The liability for future policyholder benefits includes immaterial businesses shown as reconciling items above, most of which are in run-off.

(6) $154 72 million and $156 million of reinsurance recoverable asset $154 million reported in Reinsurance recoverables in the Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively, relate to the liability for future policy benefits. Additionally, $81 million of reinsurance recoverables are reported in assets of businesses held for sale in the Consolidated Balance Sheets as of March 31, 2024.

(7) Includes $427 million of future policy benefits classified as liabilities of businesses held for sale in the Consolidated Balance Sheets as of March 31, 2024.

Other Operations

The weighted average interest rates applied and duration for future policy benefits in Other Operations, consisting of annuity and life insurance products, were as follows:

		As of September 30, 2023	As of September 30, 2022
	As of March 31, 2024		
		As of March 31, 2024	As of March 31, 2023
Interest accretion rate	Interest accretion rate	**5.64 %**	5.64 %
	Interest accretion rate	**5.64 %**	5.64 %

Current discount rate	Current discount rate	**5.73 %**	5.28 %	Current discount rate	**5.16 %**	4.95 %
Weighted average duration	Weighted average duration	**10.9 years**	11.8 years	Weighted average duration	**11.3 years**	11.7 years

Obligations for annuities represent discounted periodic benefits to be paid to an individual or groups of individuals over their remaining lives. Other Operations' traditional insurance contracts, which are in run-off, have no premium remaining to be collected;

therefore, future policy benefit reserves represent the present value of expected future policy benefits, discounted using the current discount rate, and the remaining amortizable DPL. deferred profit liability.

Future policy benefits for Other Operations includes DPL deferred profit liability of $390 million $379 million as of September 30, 2023 March 31, 2024 and $380 $392 million as of September 30, 2022 March 31, 2023. Future policy benefits excluding DPL deferred profit liability were $3.0 $3.1 billion as of September 30, 2023, March 31, 2024 and $3.2 billion as of each of December 31, 2022 and September 30, 2022 December 31, 2023, March 31, 2023, and $4.3 billion as of December 31, 2021. These balances exclude amounts classified as Liabilities of businesses held for sale of $3.8 billion as of December 31, 2021 December 31, 2022. The change in future policy benefits reserves year-to-date was primarily driven by benefit payments, as well as changes in the current discount rate.

Undiscounted expected future policy benefits were $4.5 $4.4 billion as of September 30, 2023 March 31, 2024 and $4.7 $4.6 billion as of September 30, 2022 March 31, 2023. As of September 30, 2023 both March 31, 2024 and September 30, 2022 March 31, 2023, $1.0 billion and $1.1 billion of the future policy benefit reserve was recoverable through treaties with external reinsurers.

D. Contractholder Deposit Funds

Accounting Policy. Liabilities for contractholder deposit funds primarily include deposits received from customers for investment-related and universal life products as well as investment earnings on their fund balances in Other Operations. These liabilities are adjusted to reflect administrative charges and, for universal life fund balances, mortality charges. Interest credited on these funds is accrued ratably over the contract period.

Contractholder deposit fund liabilities within Other Operations were $6.6 billion $6.5 billion as of September 30, 2023 March 31, 2024 and December 31, 2023 and $6.7 billion as of each of March 31, 2023 and December 31, 2022 and September 30, 2022, and $6.9 billion as of December 31, 2021. Approximately 38% of the balance is reinsured externally. Activity in these liabilities is presented net of reinsurance in the Consolidated Statements of Cash Flows. The net year-to-date decrease in contractholder deposit fund liabilities generally relates to withdrawals and benefit payments from contractholder deposit funds, partially offset by deposits and interest credited to contractholder deposit funds.

As of September 30, 2023 March 31, 2024, the weighted average crediting rate, net amount at risk and cash surrender value for contractholder deposit fund liabilities not externally reinsured effectively exited through reinsurance were 3.27% 3.33%, $3.1 billion $3.0 billion and $2.8 billion, respectively. The comparative amounts as of September 30, 2022 March 31, 2023 were 3.14% 3.25%, $3.3 billion $3.2 billion and $2.8 billion, respectively. As of both September 30, 2023 and September 30, 2022, more More than 99% of the $4.0 billion liability as of March 31, 2024 and the $4.1 billion liability as of March 31, 2023 not reinsured externally is for contracts with guaranteed interest rates of 3% - 4%, and approximately $1.2 billion represented contracts with policies at the guarantee. At both of these same period ends, $1.2 billion was 50-150 basis points ("bps") above the guarantee and the remaining $1.6 billion as of March 31, 2024 and $1.7 billion as of March 31, 2023 represented contracts above the guarantee that pay the policyholder based on the greater of a guaranteed minimum cash value or the actual cash value. More than 90% of these contracts have actual cash values of at least 110% of the guaranteed cash value.

E. Market Risk Benefits

Liabilities for market risk benefits consist of variable annuity reinsurance contracts (also referred to as GMDB and GMIB contracts) in Other Operations. These liabilities arise under annuities and riders to annuities written by ceding companies that guarantee the benefit received at death and, for a subset of policies, also provide contractholders the option, within 30 days of a policy anniversary after the appropriate waiting period, to elect minimum income payments. The Company's capital market risk exposure on variable annuity reinsurance contracts arises when the reinsured guaranteed minimum benefit exceeds the contractholder's account value in the related underlying mutual funds at the time the insurance benefit is payable under the respective contract. The Company receives and pays premium periodically based on the terms of the reinsurance agreements.

Accounting Policy. Variable annuity reinsurance liabilities are measured as MRBs at fair value, net of nonperformance risk, with fluctuations in value gross of reinsurer nonperformance risk reported in benefit expenses while fluctuations in the Company's own nonperformance risk (own credit risk) are reported in Accumulated other comprehensive loss. Nonperformance risk reflects risk that a party might default and therefore not fulfill its obligations (i.e. nonpayment risk). The nonperformance risk adjustment reflects a market participant's view of nonpayment risk by adding an additional spread to the discount rate in the calculation of both (a) the variable annuity reinsurance liabilities to be paid by the Company and (b) the variable annuity reinsurance assets to be paid by the reinsurers, after considering collateral. The Company classifies variable annuity assets and liabilities in Level 3 of the fair value hierarchy described in Note 12 to the Consolidated Financial Statements because assumptions related to future annuitant behavior are largely unobservable. As discussed further in Note 10 to the Consolidated Financial Statements, due to the reinsurance agreements covering these liabilities, the liabilities do not generally impact net income except for the change in nonperformance risk on the reinsurance recoverable, which is reported in benefit expenses and does not offset the nonperformance risk valuation on the liability. Variable annuity liabilities are established using capital market assumptions and assumptions related to future annuitant behavior (including mortality, lapse and annuity election rates).

Market risk benefits activity was as follows:

	Nine Months Ended	
(In millions)	**September 30, 2023**	**September 30, 2022**

		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,				
(Dollars in millions)				*(Dollars in millions)*	**2024**	**2023**
Balance, beginning of year	Balance, beginning of year	**$ 1,268**	$ 1,824			
Balance, beginning of year, before the effect of nonperformance risk (own credit risk)	Balance, beginning of year, before the effect of nonperformance risk (own credit risk)	**1,379**	1,949			
Changes due to expected run-off	Changes due to expected run-off	**(15)**	(44)			
Changes due to capital markets versus expected	Changes due to capital markets versus expected	**(352)**	(510)			
Changes due to policyholder behavior versus expected	Changes due to policyholder behavior versus expected	**(1)**	(4)			
Assumption changes	Assumption changes	**(16)**	65			
Balance, end of period, before the effect of changes in nonperformance risk (own credit risk)	Balance, end of period, before the effect of changes in nonperformance risk (own credit risk)	**995**	1,456			
Nonperformance risk (own credit risk), end of period	Nonperformance risk (own credit risk), end of period	**(61)**	(119)			
Balance, end of period	Balance, end of period	**$ 934**	$ 1,337			
Reinsured market risk benefit, end of period	Reinsured market risk benefit, end of period	**$ 993**	$ 1,450			

The following table presents the net amount at risk and the average attained age of contractholders (weighted by exposure) for contracts assumed by the Company. The net amount at risk is the amount the Company would have to pay to contractholders if all deaths or annuitizations occurred as of the earliest possible date in accordance with the insurance contract. The Company should be reimbursed in full for these payments unless the Berkshire reinsurance limit is exceeded, as discussed further in Note 10 to the Consolidated Financial Statements.

(Dollars in millions, excludes impact of reinsurance ceded)	*(Dollars in millions, excludes impact of reinsurance ceded)*	**September 30, 2023**	**September 30, 2022**	*(Dollars in millions, excludes impact of reinsurance ceded)*	**March 31, 2024**	**March 31, 2023**
Net amount at risk	Net amount at risk	**$ 1,986**	$ 2,881			

Average attained age of contractholders (weighted by exposure)	Average attained age of contractholders (weighted by exposure)	**75.9 years**	74.0 years	Average attained age of contractholders (weighted by exposure)	**77.7 years**	75.4 years

Note 10 – Reinsurance

The Company's insurance subsidiaries enter into agreements with other insurance companies to limit losses from large exposures and to permit recovery of a portion of incurred losses. Reinsurance is ceded primarily in acquisition and disposition transactions when the underwriting company is not being acquired. Reinsurance does not relieve the originating insurer of liability. Therefore, reinsured liabilities must continue to be reported along with the related reinsurance recoverables. The Company regularly evaluates the financial condition of its reinsurers and monitors concentrations of its credit risk.

A. Reinsurance Recoverables

The majority of the Company's reinsurance recoverables resulted from acquisition and disposition transactions in which the underwriting company was not acquired. The Company bears the risk of loss if its reinsurers and retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company. The Company reviews its reinsurance arrangements and establishes reserves against the recoverables primarily for expected credit losses.

The Company's reinsurance recoverables as of September 30, 2023 March 31, 2024 are presented at amount due by range of external credit rating and collateral level in the following table, with reinsurance recoverables that are market risk benefits separately presented at fair value:

(In millions)	*(In millions)*	**Fair value of collateral contractually required to meet or exceed carrying value of recoverable**	**Collateral provisions exist that may mitigate risk of credit loss (3)**	**No collateral**	**Total**	*(In millions)*	**Fair value of collateral contractually required to meet or exceed carrying value of recoverable**	**Collateral provisions exist that may mitigate risk of credit loss (1)**	**No collateral**	**Total**
Ongoing Operations	**Ongoing Operations**									
A- equivalent and higher current ratings (1)		$ —	$ —	$ 86	$ 86					
BBB- to BBB+ equivalent current credit ratings (1)		—	—	59	59					
A- equivalent and higher current ratings (2)										
A- equivalent and higher current ratings (2)										
A- equivalent and higher current ratings (2)										
BBB- to BBB+ equivalent current credit ratings (2)										
Not rated	Not rated	157	3	119	279					
Total recoverables related to ongoing operations	Total recoverables related to ongoing operations	157	3	264	424					
Acquisition, disposition or run-off activities	**Acquisition, disposition or run-off activities**									
BBB+ equivalent and higher current ratings (1)										

BBB+ equivalent and higher current ratings (2)					
BBB+ equivalent and higher current ratings (2)					
BBB+ equivalent and higher current ratings (2)					
Lincoln National Life and Lincoln Life & Annuity of New York					
Lincoln National Life and Lincoln Life & Annuity of New York					
Lincoln National Life and Lincoln Life & Annuity of New York	Lincoln National Life and Lincoln Life & Annuity of New York	—	2,690	—	2,690
Empower Annuity Insurance Company	Empower Annuity Insurance Company	—	—	130	130
Prudential Insurance Company of America	Prudential Insurance Company of America	364	—	—	364
Life Insurance Company of North America	Life Insurance Company of North America	—	372	—	372
Other	Other	173	21	15	209
Not rated	Not rated	—	7	4	11
Not rated					
Not rated					
Total recoverables related to acquisition, disposition or run-off activities	Total recoverables related to acquisition, disposition or run-off activities	537	3,090	149	3,776
Total reinsurance recoverables before market risk benefits	Total reinsurance recoverables before market risk benefits	$ 694	$ 3,093	$ 413	$4,200
Allowance for uncollectible reinsurance	Allowance for uncollectible reinsurance				(35)
Market risk benefits (4)					993
Total reinsurance recoverables (2)					$5,158
Market risk benefits					

Total reinsurance recoverables (3)	

(1) Certified by a NRSRO.

(2) Includes $238 million of current reinsurance recoverables that are reported in Other current assets.

(3) Includes collateral provisions requiring the reinsurer to fully collateralize its obligation if its external credit rating is downgraded to a specified level.

(4) (2) Total Berkshire and certain Other Certified by an NRSRO.

(3) Includes $166 million of current reinsurance recoverables reflected under acquisition, disposition or run-off activities in the Company's 2022 Form 10-K that relate to the Company's variable annuity reinsurance products discussed in section B below are now reported at fair market value as MRBs, as further discussed in Note 9 to the Consolidated Financial Statements. At December 31, 2022, we reported $711 million of recoverables related to the GMDB variable annuity reinsurance product. The restated December 31, 2022 variable annuity reinsurance recoverable balance is $1.4 billion, which also includes the GMIB variable annuity reinsurance product that was classified in Other current assets prior to the adoption and $209 million of LDTI. reinsurance recoverables classified as assets of businesses held for sale.

Collateral levels are defined internally based on the fair value of the collateral relative to the carrying amount of the reinsurance recoverable, the frequency at which collateral is required to be replenished and the potential for volatility in the collateral's fair value.

B. Effective Exit of Variable Annuity Reinsurance Business

The Company entered into an agreement with Berkshire to effectively exit the variable annuity reinsurance business via a reinsurance transaction in 2013. Variable annuity contracts are accounted for as assumed and ceded reinsurance and categorized as market risk benefits as discussed in Note 9 to the Consolidated Financial Statements. Berkshire reinsured 100% of the Company's future cash flows in this business, net of other reinsurance arrangements existing at that time. The reinsurance agreement is subject to an overall limit with approximately $3.1 billion remaining at September 30, 2023 March 31, 2024. As a result of the reinsurance transaction, amounts payable are offset by a corresponding reinsurance recoverable, provided the increased recoverable remains within the overall Berkshire limit.

(In millions) (In millions)

Reinsurer (1)

Reinsurer (1)

Reinsurer (1)	Reinsurer (1)	September 30, 2023	December 31, 2022	Collateral and Other Terms at September 30, 2023		March 31, 2024		December 31, 2023		Collateral and Other Terms at March 31, 2024	
Berkshire	Berkshire	$ 810	$ 1,116	90% were secured by assets in a trust.	Berkshire	$ 777	$	$ 873	100% were secured by assets in a trust.		100% were secured by assets in a trust.
Sun Life Assurance Company of Canada	Sun Life Assurance Company of Canada	81	115								
Liberty Re (Bermuda) Ltd.	Liberty Re (Bermuda) Ltd.	94	128	100% were secured by assets in a trust.							
Liberty Re (Bermuda) Ltd.											
Liberty Re (Bermuda) Ltd.						91		104		100% were secured by assets in a trust.	
SCOR SE	SCOR SE	29	39	85% were secured by a letter of credit.	SCOR SE	27	31	31	75% were secured by a letter of credit.		75% were secured by a letter of credit.
Market risk benefits (2)	Market risk benefits (2)	$ 1,014	$ 1,398								

(1) All reinsurers are rated A- equivalent and higher by an NRSRO.

(2) Includes IBNR incurred but not reported ("IBNR") and outstanding claims of $21 million $23 million as of March 31, 2024 and $19 million as of December 31, 2023. These amounts are excluded from market risk benefits at September 30, 2023 of March 31, 2024 in Note 9 and Note 10A to the Consolidated Financial Statements. At December 31, 2022, IBNR and outstanding claims of $27 million offset by premium due of $3 million were excluded from the market risk benefits as restated due to the adoption of LDTI.

The impact of nonperformance risk (i.e., the risk that a counterparty might default) on the variable annuity reinsurance asset was immaterial for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023.

Note 11 – Investments

The Cigna Group's investment portfolio consists of a broad range of investments including debt securities, equity securities, commercial mortgage loans, policy loans, other long-term investments, short-term investments and derivative financial instruments. The sections below provide more detail regarding our investment balances and realized investment gains and losses. See Note 12 to the Consolidated Financial Statements for information about the valuation of the Company's investment portfolio. Further information about our accounting policies for investment assets can be found in Note 11 12 in the Company's 2022 2023 Form 10-K.

The following table summarizes the Company's investments by category and current or long-term classification:

		September 30, 2023			December 31, 2022									
		March 31, 2024							March 31, 2024			December 31, 2023		
(In millions)	(In millions)	Current	Long-term	Total	Current	Long-term	Total	(In millions)	Current	Long-term	Total	Current	Long-term	Total
Debt securities	Debt securities	$ 612	$ 8,927	$ 9,539	$ 654	$ 9,218	$ 9,872							
Equity securities	Equity securities	31	3,345	3,376	45	577	622							
Commercial mortgage loans	Commercial mortgage loans	215	1,402	1,617	67	1,547	1,614							
Policy loans	Policy loans	—	1,224	1,224	—	1,218	1,218							
Other long-term investments	Other long-term investments	—	4,076	4,076	—	3,728	3,728							
Short-term investments	Short-term investments	188	—	188	139	—	139							
Total	Total	$ 1,046	$ 18,974	$ 20,020	$ 905	$ 16,288	$ 17,193							
Investments classified as assets of businesses held for sale (1)														
Investments per Consolidated Balance Sheets														

(1) *Investments related to the HCSC transaction that were held for sale as of March 31, 2024. These investments were primarily comprised of debt securities and commercial mortgage loans, and to a lesser extent, other long-term investments.*

A. Investment Portfolio

Debt Securities

Accounting policy. Our accounting policy for debt securities (including bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor) remains materially consistent with the policy disclosed in the Company's 2022 Form 10-K. However, with the adoption of amended accounting guidance for long-duration insurance contracts on January 1, 2023 (discussed in Note 2 to the Consolidated Financial Statements), net unrealized appreciation on debt securities supporting the Company's run-off settlement annuity business is no longer reported in Non-current insurance and contractholder liabilities but rather is reported in Accumulated other comprehensive loss. See Note 14 to the Consolidated Financial Statements for the retrospectively restated Accumulated other comprehensive loss.

The amortized cost and fair value by contractual maturity periods for debt securities were as follows as of September 30, 2023 March 31, 2024:

(In millions)

(In millions)

(In millions)	(In millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	Due in one year or less	$ 657	$ 631		

Due after one year through five years	Due after one year through five years	3,983	3,710
Due after five years through ten years	Due after five years through ten years	3,306	2,914
Due after ten years	Due after ten years	2,294	1,938
Mortgage and other asset-backed securities	Mortgage and other asset-backed securities	394	346
Total	Total	$ 10,634	$9,539

Actual maturities of these securities could differ from their contractual maturities used in the table above because issuers may have the right to call or prepay obligations, with or without penalties.

Gross unrealized appreciation (depreciation) on debt securities by type of issuer is shown below:

(In millions)	*(In millions)*	Amortized Cost	Allowance for Credit Loss	Unrealized Appreciation	Unrealized Depreciation	Fair Value	*(In millions)*	Amortized Cost	Allowance for Credit Loss	Unrealized Appreciation	Unrealized Depreciation	Fair Value
September 30, 2023												
March 31, 2024												
Federal government and agency												
Federal government and agency												
Federal government and agency	Federal government and agency	$ 278	$ —	$ 19	$ (14)	$ 283						
State and local government	State and local government	41	—	—	(3)	38						
Foreign government	Foreign government	373	—	4	(21)	356						
Corporate	Corporate	9,548	(45)	50	(1,037)	8,516						
Mortgage and other asset-backed	Mortgage and other asset-backed	394	—	—	(48)	346						
Total	Total	$ 10,634	$ (45)	$ 73	$ (1,123)	$9,539						
December 31, 2022												
December 31, 2023												
December 31, 2023												
December 31, 2023												
Federal government and agency												
Federal government and agency												
Federal government and agency	Federal government and agency	$ 292	$ —	$ 32	$ (12)	$ 312						

State and local government	State and local government	43	—	—	(2)	41
Foreign government	Foreign government	375	—	11	(21)	365
Corporate	Corporate	9,742	(44)	89	(981)	8,806
Mortgage and other asset-backed	Mortgage and other asset-backed	390	—	1	(43)	348
Total	Total	$ 10,842	$ (44)	$ 133	$ (1,059)	$9,872

Review of declines in fair value. Management reviews impaired debt securities in an unrealized loss position to determine whether a credit loss allowance is needed based on criteria that include:

- severity of decline;
- financial health and specific prospects of the issuer; and
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region.

The table below summarizes debt securities with a decline in fair value from amortized cost for which an allowance for credit losses has not been recorded, by investment grade and the length of time these securities have been in an unrealized loss position. Unrealized depreciation on these debt securities is primarily due to declines in fair value resulting from increasing interest rates since these securities were purchased.

		September 30, 2023				December 31, 2022													
		March 31, 2024									March 31, 2024				December 31, 2023				
(Dollars in millions)	*(Dollars in millions)*	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues	*(Dollars in millions)*	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues	
One year or less	**One year or less**																		
Investment grade																			
Investment grade																			
Investment grade	Investment grade	**$1,679**	**$ 1,746**	**$ (67)**	**589**	$5,533	$ 6,127	$ (594)	1,659										
Below investment grade	Below investment grade	**283**	**291**	**(8)**	**1,094**	887	964	(77)	1,287										
More than one year	**More than one year**																		
Investment grade	Investment grade	**5,262**	**6,200**	**(938)**	**1,646**	1,151	1,487	(336)	462										
Investment grade																			
Investment grade																			
Below investment grade	Below investment grade	**774**	**884**	**(110)**	**859**	330	382	(52)	369										
Total	Total	**$7,998**	**$ 9,121**	**$ (1,123)**	**4,188**	$7,901	$ 8,960	$ (1,059)	3,777										

Equity Securities

The following table provides the values of the Company's equity security investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022						
		March 31, 2024					March 31, 2024		December 31, 2023	
(In millions)	*(In millions)*	Cost	Carrying Value	Cost	Carrying Value	*(In millions)*	Cost	Carrying Value	Cost	Carrying Value

Equity securities with readily determinable fair values	Equity securities with readily determinable fair values	**$ 662**	**$ 53**	$ 673	$ 138
Equity securities with no readily determinable fair value	Equity securities with no readily determinable fair value	**3,217**	**3,323**	380	484
Total	Total	**$ 3,879**	**$ 3,376**	$ 1,053	$ 622

In 2023, we became We are a minority owner in VillageMD, by investing $2.7 billion in VillageMD preferred equity. VillageMD is a provider of primary, multi-specialty and urgent care services that is majority-owned by Walgreens Boots Alliance, Inc. These securities are included in Equity equity securities with no readily determinable fair value in the above table. A compounding dividend As of 5.5% accrues annually on $2.2 billion March 31, 2024, we determined our investment in VillageMD was impaired and wrote down the carrying value to an estimated fair value of our cost basis $0.9 billion, resulting in these shares. a $1.8 billion loss recorded in Net realized investment losses in the Company's Consolidated Statements of Income.

Consistent with our strategy to invest in targeted startup and growth-stage companies in the health care industry, approximately 95% 90% of our investments in equity securities are in the health care sector.

Commercial Mortgage Loans

Mortgage loans held by the Company are made exclusively to commercial borrowers and are diversified by property type, location and borrower. Loans are generally issued at fixed rates of interest and are secured by high quality, primarily completed and substantially leased operating properties.

The Company regularly evaluates and monitors credit risk from the initial mortgage loan underwriting and throughout the investment holding period. For more information on the Company's accounting policies and methodologies regarding these investments, see Note 11 12 in the Company's 2022 2023 Form 10-K.

The following table summarizes the credit risk profile of the Company's commercial mortgage loan portfolio:

(Dollars in millions)	*(Dollars in millions)*	**September 30, 2023**			**December 31, 2022**		
Loan-to-Value Ratio	**Loan-to-Value Ratio**	**Carrying Value**	**Average Debt Service Coverage Ratio**	**Average Loan-to-Value Ratio**	**Carrying Value**	**Average Debt Service Coverage Ratio**	**Average Loan-to-Value Ratio**
Loan-to-Value Ratio							
Loan-to-Value Ratio							
Below 60%							
Below 60%							
Below 60%	Below 60%	**$ 909**	**2.18**		$ 901	2.12	
60% to 79%	60% to 79%	**542**	**1.80**		564	1.73	
60% to 79%							
60% to 79%							
80% to 100%							
80% to 100%							
80% to 100%	80% to 100%	**166**	**1.48**		149	1.17	
Total	Total	**$ 1,617**	**1.97**	**62 %**	$ 1,614	1.89	60 %
Total							
Total		**$ 1,562**	**1.81**	**64 %**	$ 1,533	1.82	64 %

Other Long-Term Investments

Other long-term investments include investments in unconsolidated entities, including certain limited partnerships and limited liability companies holding real estate, securities or loans. These investments are carried at cost plus the Company's ownership percentage of reporting income or loss, based on the financial statements of the underlying investments that are generally reported at fair value. Income or loss from these investments is reported on a one quarter lag due to the timing of when financial information is received from the general partner or manager of the investments.

Other long-term investments also include investment real estate carried at depreciated cost less any impairment write-downs to fair value when cash flows indicate that the carrying value may not be recoverable. Additionally, statutory and other restricted deposits and foreign currency swaps carried at fair value are reported in the table below as Other. The following table provides the carrying value information for these investments:

		Carrying Value as of				
		Carrying Value as of				Carrying Value as of
(In millions)	(In millions)	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023
Real estate investments	Real estate investments	$ 1,511	$ 1,319			
Securities partnerships	Securities partnerships	2,360	2,166			
Other	Other	205	243			
Total	Total	$ 4,076	$ 3,728			

B. Derivative Financial Instruments

The Company uses derivative financial instruments to manage the characteristics of investment assets (such as duration, yield, currency and liquidity) to meet the varying demands of the related insurance and contractholder liabilities. The Company also uses derivative financial instruments to hedge the risk of changes in the net assets of certain of its foreign subsidiaries due to changes in foreign currency exchange rates and to hedge the interest rate risk of certain long-term debt.

As of September 30, 2023 March 31, 2024, there have been no material changes to the Company's derivative financial instruments. Please refer to the Company's 2022 2023 Form 10-K for further discussion of the types of derivative financial instruments and associated accounting policies. The effects of derivative financial instruments used in our individual hedging strategies were not material to the Consolidated Financial Statements as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The gross fair values of our derivative financial instruments are presented in Note 12 to the Consolidated Financial Statements.

C. Realized Investment Gains and Losses

Accounting policy. Realized investment gains and losses are based on specifically identified assets and result from sales, investment asset write-downs, change in the fair value of certain derivatives and equity securities and changes in allowances for credit losses on debt securities and commercial mortgage loan investments. With the adoption of amended accounting guidance for long-duration insurance contracts on January 1, 2023 (discussed in Note 2 to the Consolidated Financial Statements), realized investment gains and losses no longer exclude amounts that were previously required to adjust future policy benefits for the run-off settlement annuity business. Prior period net Net realized investment losses, have been updated to reflect before income taxes were $1,836 million for the impact three months ended March 31, 2024 and $56 million for the three months ended March 31, 2023. This increase was primarily driven by the impairment of adopting LDTI.

The following realized gains and losses on investments equity securities in 2024. These amounts exclude realized gains and losses attributed to the Company's separate accounts because those gains and losses generally accrue directly to separate account policyholders:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2023	2022	2023	2022
Net realized investment (losses) gains, excluding credit loss expense and asset write-downs	**$ (9)**	$ (67)	**$ (29)**	$ (454)
Credit loss (expense)	**(5)**	(15)	**(3)**	(39)
Other investment asset write-downs	**—**	—	**(12)**	—
Net realized investment (losses), before income taxes	**$ (14)**	$ (82)	**$ (44)**	$ (493)

Net realized investment losses for the nine months ended September 30, 2023 and September 30, 2022 were primarily due to mark-to-market losses on a strategic health care equity securities investment.

policyholders.

Note 12 – Fair Value Measurements

The Company carries certain financial instruments at fair value in the financial statements including debt securities, certain equity securities, short-term investments and derivatives. Other financial instruments are measured at fair value only under certain conditions, such as when impaired or when there are observable price changes for equity securities with no readily determinable fair value.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

The Company's financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by GAAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level of input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

For a description of the policies, methods and assumptions that are used to estimate fair value and determine the fair value hierarchy for each class of financial instruments, see Note 12 13 in the Company's 2022 2023 Form 10-K.

A. Financial Assets and Financial Liabilities Carried at Fair Value

The following table provides information about the Company's financial assets and liabilities carried at fair value. Further information regarding insurance assets and liabilities carried at fair value is provided in Note 9E to the Consolidated Financial Statements. Separate account assets are also recorded at fair value on the Company's Consolidated Balance Sheets and are reported separately in the Separate Accounts section below as gains and losses related to these assets generally accrue directly to contractholders:

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total	
	September 30, 2023	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**	**September 30, 2023**	**December 31, 2022**
Financial assets at fair value								
Debt securities								
Federal government and agency	**$ 146**	$ 147	**$ 137**	$ 165	**$ —**	$ —	**$ 283**	$ 312
State and local government	**—**	—	**38**	41	**—**	—	**38**	41
Foreign government	**—**	—	**356**	365	**—**	—	**356**	365
Corporate	**—**	—	**8,125**	8,394	**391**	412	**8,516**	8,806
Mortgage and other asset-backed	**—**	—	**303**	313	**43**	35	**346**	348
Total debt securities	**146**	147	**8,959**	9,278	**434**	447	**9,539**	9,872
Equity securities (1)	**3**	6	**48**	132	**2**	—	**53**	138

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total	
	March 31, 2024	**December 31, 2023**	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**D**
Debt securities								
Federal government and agency								

Short-term investments	Short-term investments	—	—	**188**	139	—	—	**188**	139
Derivative assets	Derivative assets	—	—	**193**	230	—	1	**193**	231

Financial liabilities at fair value

Derivative liabilities

Derivative liabilities

Derivative liabilities

(1) Excludes certain equity securities that have no readily determinable fair value.

Level 3 Financial Assets and Financial Liabilities

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date. Additionally, as discussed in Note 9E to the Consolidated Financial Statements, the Company classifies variable annuity assets and liabilities in Level 3 of the fair value hierarchy.

Quantitative Information about Unobservable Inputs

The significant unobservable input used to value our corporate and government debt securities and mortgage and other asset-backed securities is an adjustment for liquidity. This adjustment is needed to reflect current market conditions and issuer circumstances when there is limited trading activity for the security.

The following table summarizes the fair value and significant unobservable inputs that were developed directly by the Company and used in pricing these debt securities. The range and weighted average basis point amounts for liquidity reflect the Company's best estimates of the unobservable adjustments a market participant would make to calculate these fair values.

		Fair Value as of			**Unobservable Adjustment Range (Weighted Average by Quantity) as of**	
		Fair Value as of				
(Fair value in millions)						
(Fair value in millions)						
(Fair value in millions)	*(Fair value in millions)*	**September 30, 2023**	**December 31, 2022**	**Unobservable Input**	**September 30, 2023**	**December 31, 2022**
Debt securities	**Debt securities**					
Debt securities						
Debt securities						
Corporate						
Corporate						
Corporate	Corporate	**$ 391**	$ 412	**Liquidity**	**60 - 1060 (300) bps**	60 - 1060 (270) bps
Mortgage and other asset-backed securities	Mortgage and other asset-backed securities	**43**	35	**Liquidity**	**120 - 595 (300) bps**	105 - 520 (310) bps
Total Level 3 debt securities	Total Level 3 debt securities	**$ 434**	$ 447			
Total Level 3 debt securities						

	$ 369	$	$ 401	**Liquidity**	**Liquidity**	**55 - 1230 (280) bps**	70 - 1235 (310) bps
Mortgage and other asset-backed securities	**53**	46	46	**Liquidity**	**Liquidity**	**110 - 605 (280) bps**	95 - 640 (310) bps

Total Level 3 debt securities	

An increase in liquidity spread adjustments would result in a lower fair value measurement, while a decrease would result in a higher fair value measurement.

Changes in Level 3 Financial Assets and Financial Liabilities Carried at Fair Value

The following table summarizes the changes in financial assets and financial liabilities classified in Level 3. Gains and losses reported in the table may include net changes in fair value that are attributable to both observable and unobservable inputs.

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,				
		Three Months Ended March 31,						
		Three Months Ended March 31,						
		Three Months Ended March 31,						
(In millions)	*(In millions)*	**2023**	2022	**2023**	2022	*(In millions)*	**2024**	**2023**
Debt and Equity Securities	**Debt and Equity Securities**							
Beginning balance	Beginning balance	**$454**	$512	**$447**	$796			
(Losses) gains included in Shareholders' net income		**(1)**	4	**(1)**	14			
Losses included in Other comprehensive (loss) income		**(5)**	(11)	**(5)**	(62)			
Beginning balance								
Beginning balance								
(Losses) gains included in Shareholders' net (loss) income								
(Losses) gains included in Other comprehensive loss								
Purchases, sales and settlements	**Purchases, sales and settlements**							
Purchases, sales and settlements								
Purchases, sales and settlements								
Purchases								
Purchases								
Purchases	Purchases	**6**	81	**10**	157			
Settlements								
Settlements								

Settlements	Settlements	**(5)**	(54)	**(32)**	(206)
Total purchases, sales and settlements	Total purchases, sales and settlements	**1**	27	**(22)**	(49)
Transfers into/(out of) Level 3	**Transfers into/(out of) Level 3**				
Transfers into Level 3	Transfers into Level 3	**—**	6	**71**	124
Transfers into Level 3					
Transfers into Level 3					
Transfers out of Level 3	Transfers out of Level 3	**(13)**	(34)	**(54)**	(319)
Total transfers into/(out of) Level 3	Total transfers into/(out of) Level 3	**(13)**	(28)	**17**	(195)
Ending balance	Ending balance	**$436**	$504	**$436**	$504
Total losses included in Shareholders' net income attributable to instruments held at the reporting date		**$ (1)**	$ —	**$ (1)**	$ (2)
Change in unrealized gain or (loss) included in Other comprehensive (loss) income for assets held at the end of the reporting period		**$ (4)**	$ (33)	**$ (9)**	$ (60)
Total (losses) gains included in Shareholders' net (loss) income attributable to instruments held at the reporting date					
Change in unrealized gain or (loss) included in Other comprehensive loss for assets held at the end of the reporting period					

Total gains and losses included in Shareholders' net (loss) income in the tables above are reflected in the Consolidated Statements of Income as Net realized investment losses and Net investment income.

Gains and losses included in Other comprehensive (loss) income, loss, net of tax in the tables above are reflected in Net unrealized (depreciation) appreciation on securities and derivatives in the Consolidated Statements of Comprehensive Income.

Transfers into or out of the Level 3 category occur when unobservable inputs, such as the Company's best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. Market activity typically decreases during periods of economic uncertainty and this decrease in activity reduces the availability of market observable data. As a result, the level of unobservable judgment that must be applied to the pricing of certain instruments increases and is typically observed through the widening of liquidity spreads. Transfers between Level 2 and Level 3 during 2023 2024 and 2022 2023 primarily reflected changes in liquidity estimates for certain private placement issuers across several sectors. See discussion under Quantitative Information about Unobservable Inputs above for more information.

Separate Accounts

The investment income and fair value gains and losses of Separate account assets generally accrue directly to the contractholders and, together with their deposits and withdrawals, are excluded from the Company's Consolidated Statements of Income and Cash Flows. The separate account activity for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was primarily driven by changes in the market values of the underlying separate account investments.

Fair values of Separate account assets were as follows:

(In millions)	(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Guaranteed separate accounts (See Note 16)	Guaranteed separate accounts (See Note 16)	**$ 210**	$ 203	**$ 342**	$ 382	**$ —**	$ —	**$ 552**	$ 585
Non-guaranteed separate accounts (1)	Non-guaranteed separate accounts (1)	**151**	211	**5,435**	5,522	**204**	203	**5,790**	5,936
Subtotal	Subtotal	**$ 361**	$ 414	**$ 5,777**	$ 5,904	**$ 204**	$ 203	**6,342**	6,521
Non-guaranteed separate accounts priced at net asset value ("NAV") as a practical expedient (1)	Non-guaranteed separate accounts priced at net asset value ("NAV") as a practical expedient (1)							**686**	757
Total	Total							**$ 7,028**	$ 7,278

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	

(1) *Non-guaranteed separate accounts include $3.8 billion as of September 30, 2023 and $4.0 billion as of December 31, 2022 both March 31, 2024 and December 31, 2023 in assets supporting the Company's pension plans, including $0.2 billion classified in Level 3 as of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023.*

Separate account assets classified in Level 3 primarily support the Company's pension plans and include certain newly-issued, privately-placed, complex or illiquid securities that are priced using methods discussed above, as well as commercial mortgage loans. Activity, including transfers into and out of Level 3, was not material for the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023.

Separate account investments in securities partnerships, real estate and hedge funds are generally valued based on the separate account's ownership share of the equity of the investee (NAV as a practical expedient), including changes in the fair values of its underlying investments. Substantially all of these assets support the Company's pension plans. The following table provides additional information on these investments:

(In millions)	(In millions)	Fair Value as of		Unfunded Commitment as of September 30, 2023	Redemption Frequency (if currently eligible)	Redemption Notice Period
		September 30, 2023	December 31, 2022			
Securities partnerships	Securities partnerships	**$ 416**	$ 451	**$ 204**	Not applicable	Not applicable

(In millions)	Fair Value as of		Unfunded Commitment as of March 31, 2024	Redemption Frequency (if currently eligible)	Redemption Notice Period
Securities partnerships	**$412**	$419	**$252**	Not applicable	Not applicable

Real estate funds	Real estate funds	266	302	—	Quarterly	30 - 90 days	Real estate funds	251	258	258	—	—	Quarterly	Quarterly	30 - 90 days
Hedge funds	Hedge funds	4	4	—	Up to annually, varying by fund	30 - 90 days	Hedge funds	3	3	3	—	—	Up to annually, varying by fund	Up to annually, varying by fund	30 - 90 days
Total	Total	$ 686	$ 757	$ 204											

As of September 30, 2023 March 31, 2024, the Company does not have plans to sell any of these assets at less than fair value. These investments are structured to satisfy longer-term investment objectives. Securities partnerships are contractually non-redeemable and the underlying investment assets are expected to be liquidated by the fund managers within ten years after inception.

B. Assets and Liabilities Measured at Fair Value under Certain Conditions

Some financial assets and liabilities are not carried at fair value, such as commercial mortgage loans that are carried at unpaid principal, investment real estate that is carried at depreciated cost and equity securities with no readily determinable fair value when there are no observable market transactions. However, these financial assets and liabilities may be measured using fair value under certain conditions, such as when investments become impaired and are written down to their fair value, or when there are observable price changes from orderly market transactions of equity securities that otherwise had no readily determinable fair value.

For the nine three months ended September 30, 2023 and 2022, March 31, 2024, our equity investment in VillageMD was written down to an estimated fair value of $0.9 billion resulting in an investment loss of $1.8 billion recorded in Net realized investment losses in the Company's Consolidated Statements of Income. For the three months ended March 31, 2023, impairments recognized requiring these assets to be measured at fair value were not material. Realized investment gains and losses from these observable Observable price changes for other equity securities with no readily determinable fair value were not material for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 were not material.

March 31, 2023.

C. Fair Value Disclosures for Financial Instruments Not Carried at Fair Value

The following table includes the Company's financial instruments not recorded at fair value but for which fair value disclosure is required. In addition to universal life products and finance leases, financial instruments that are carried in the Company's Consolidated Balance Sheets at amounts that approximate fair value are excluded from the following table:

				September 30, 2023		December 31, 2022				March 31, 2024		December 31, 2023	
		Classification in Fair Value Hierarchy	Classification in Fair Value Hierarchy										
(In millions)	*(In millions)*	Classification in Fair Value Hierarchy		Fair Value	Carrying Value	Fair Value	Carrying Value	*(In millions)*	Classification in Fair Value Hierarchy	Fair Value	Carrying Value	Fair Value	Carrying Value
Commercial mortgage loans	Commercial mortgage loans		Classification in Fair Value Hierarchy	$1,470	$1,617	$1,491	$1,614						
Long-term debt, including current maturities, excluding finance leases	Long-term debt, including current maturities, excluding finance leases		Level 2	$26,225	$ 29,526	$28,653	$ 30,994						

Note 13 – Variable Interest Entities

We perform ongoing qualitative analyses of our involvement with variable interest entities to determine if consolidation is required. The Company determined that it was not a primary beneficiary in any material variable interest entity as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023. The Company's involvement with variable interest entities for which it is not the primary beneficiary has not materially changed from December 31, 2023. For details of our accounting policy for variable interest entities and the composition of variable interest entities with which the Company is involved, refer to Note 13 14 in the Company's 2022 2023 Form 10-K. The Company has not provided, and does not intend to provide, financial support to any of these variable interest entities in excess of its maximum exposure. The Company's maximum exposure to loss from securities limited partnerships and real estate limited partnerships is $5.1 billion as of September 30, 2023 compared to $4.8 billion as of December 31, 2022 and the maximum exposure from real estate joint ventures is $0.9 billion as of September 30, 2023 compared to $0.6 billion as of December 31, 2022.

Note 14 – Accumulated Other Comprehensive Income (Loss)

Accumulated Other Comprehensive Income (Loss) ("AOCI")

AOCI includes net unrealized (depreciation) appreciation on securities and derivatives, change in discount rate and instrument specific instrument-specific credit risk for certain long-duration insurance contractholder liabilities (Note 9 to the Consolidated Financial Statements), foreign currency translation and the net postretirement benefits liability adjustment. AOCI includes the Company's share from unconsolidated entities reported on the equity method. Generally, tax effects in AOCI are established at the currently enacted tax rate and reclassified to Shareholders' net (loss) income in the same period that the related pre-tax AOCI reclassifications are recognized.

Shareholders' other comprehensive (loss) income, loss, net of tax, for both the three and nine months ended September 30, 2023 March 31, 2024 and 2022, March 31, 2023, is primarily driven by attributable to the change in discount rates for certain long-duration liabilities (following the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023) and unrealized changes in the market values of securities and derivatives, including the impacts from unconsolidated entities reported on the equity method.

Changes in the components of AOCI including the restatement for amended accounting guidance for long-duration insurance contracts (discussed in Note 2 to the Consolidated Financial Statements), are were as follows:

	Three Months Ended March 31,	
(In millions)	**2024**	**2023**
Securities and Derivatives		
Beginning balance	**$ 171**	$ (332)
Unrealized appreciation on securities and derivatives	**143**	252
Tax (expense)	**(39)**	(54)
Net unrealized appreciation on securities and derivatives	**104**	198
Reclassification adjustment for losses (gains) included in Shareholders' net (loss) income (Net realized investment losses)	**22**	(5)
Reclassification adjustment for tax (benefit) expense included in Shareholders' net (loss) income	**(5)**	1
Net losses (gains) reclassified from AOCI to Shareholders' net (loss) income	**17**	(4)
Other comprehensive income, net of tax	**121**	194
Ending balance	**$ 292**	$ (138)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2023**	**2022**	**2023**	**2022**
Securities and Derivatives				
Beginning balance, as retrospectively restated	**$ (118)**	$ (247)	**$ (332)**	$ 1,266
Unrealized (depreciation) appreciation on securities and derivatives	**(257)**	(325)	**2**	(2,259)
Tax benefit (expense)	**57**	(7)	**(9)**	393
Net unrealized (depreciation) on securities and derivatives	**(200)**	(332)	**(7)**	(1,866)
Reclassification adjustment for losses included in Shareholders' net income ((Loss) gain on sale of businesses)	**—**	171	**—**	171
Reclassification adjustment for losses included in Shareholders' net income (Net realized investment losses)	**12**	14	**38**	41
Reclassification adjustment for (gains) included in Shareholders' net income (Selling, general and administrative expenses)	**(1)**	—	**(1)**	—
Reclassification adjustment for tax (benefit) included in Shareholders' net income	**(3)**	(3)	**(8)**	(9)
Net losses reclassified from AOCI to Shareholders' net income	**8**	182	**29**	203
Other comprehensive (loss) income, net of tax	**(192)**	(150)	**22**	(1,663)
Ending balance	**$ (310)**	$ (397)	**$ (310)**	$ (397)
Net long-duration insurance and contractholder liabilities measurement adjustments (1)				
Beginning balance	**$ (704)**	$ (300)	**$ (256)**	$ (765)
Current period change in discount rate for certain long-duration liabilities	**(27)**	(55)	**(585)**	549
Tax benefit (expense)	**12**	23	**149**	(98)
Net current period change in discount rate for certain long-duration liabilities	**(15)**	(32)	**(436)**	451
Current period change in instrument-specific credit risk for market risk benefits	**(17)**	16	**(50)**	(6)
Tax benefit (expense)	**4**	(3)	**10**	1
Net current period change in instrument-specific credit risk for market risk benefits	**(13)**	13	**(40)**	(5)
Other comprehensive (loss) income, net of tax	**(28)**	(19)	**(476)**	446
Ending balance	**$ (732)**	$ (319)	**$ (732)**	$ (319)
Translation of foreign currencies				
Beginning balance, as retrospectively restated	**$ (157)**	$ (500)	**$ (154)**	$ (233)
Translation of foreign currencies	**(31)**	(90)	**(36)**	(332)
Tax benefit (expense)	**2**	—	**4**	(28)

Net translation of foreign currencies	**(29)**	(90)	**(32)**	(360)
Reclassification adjustment for losses included in Net income ((Loss) gain on sale of businesses)	**—**	236	**—**	236
Reclassification adjustment for tax expense included in Net income	**—**	29	**—**	29
Net translation losses reclassified from AOCI to Net income	**—**	265	**—**	265
Translation of foreign currencies	**(31)**	146	**(36)**	(96)
Tax benefit	**2**	29	**4**	1
Other comprehensive (loss) income, net of tax	**(29)**	175	**(32)**	(95)
Less: Net translation gain (loss) on foreign currencies attributable to noncontrolling interests	**—**	1	**—**	(2)
Shareholders' other comprehensive (loss) income, net of tax	**(29)**	174	**(32)**	(93)
Ending balance	**$ (186)**	$ (326)	**$ (186)**	$ (326)
Postretirement benefits liability				
Beginning balance	**$ (899)**	$ (1,296)	**$ (916)**	$ (1,336)
Reclassification adjustment for amortization of net prior actuarial losses and prior service costs (Interest expense and other)	**11**	17	**35**	50
Reclassification adjustment for (gains) included in Shareholders' net income ((Loss) gain on sale of businesses)	**—**	(2)	**—**	(2)
Reclassification adjustment for tax (benefit) included in Shareholders' net income	**(3)**	(5)	**(9)**	(12)
Net adjustments reclassified from AOCI to Shareholders' net income	**8**	10	**26**	36
Valuation update	**—**	—	**(2)**	18
Tax benefit (expense)	**—**	—	**1**	(4)
Net change due to valuation update	**—**	—	**(1)**	14
Other comprehensive income, net of tax	**8**	10	**25**	50
Ending balance	**$ (891)**	$ (1,286)	**$ (891)**	$ (1,286)
Total Accumulated other comprehensive loss				
Beginning balance, as retrospectively restated	**$ (1,878)**	$ (2,343)	**$ (1,658)**	$ (1,068)
Shareholders' other comprehensive (loss) income, net of tax	**(241)**	15	**(461)**	(1,260)
Ending balance	**$ (2,119)**	$ (2,328)	**$ (2,119)**	$ (2,328)

(1) *Established upon the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023. See Note 2 to the Consolidated Financial Statements for further information.*

	Three Months Ended March 31,	
(In millions)	**2024**	**2023**
Net long-duration insurance and contractholder liabilities measurement adjustments		
Beginning balance	**$ (971)**	$ (256)
Current period change in discount rate for certain long-duration liabilities	**(732)**	(411)
Tax benefit	**186**	101
Net current period change in discount rate for certain long-duration liabilities	**(546)**	(310)
Current period change in instrument-specific credit risk for market risk benefits	**(18)**	(26)
Tax benefit	**4**	5
Net current period change in instrument-specific credit risk for market risk benefits	**(14)**	(21)
Other comprehensive (loss), net of tax	**(560)**	(331)
Ending balance	**$ (1,531)**	$ (587)

	Three Months Ended March 31,	
(In millions)	**2024**	**2023**
Translation of foreign currencies		
Beginning balance	**$ (149)**	$ (154)
Translation of foreign currencies	**(24)**	15
Tax (expense) benefit	**(2)**	1
Other comprehensive (loss) income, net of tax	**(26)**	16
Ending balance	**$ (175)**	$ (138)

	Three Months Ended March 31,

(In millions)		2024		2023
Postretirement benefits liability				
Beginning balance	$	**(915)**	$	(916)
Reclassification adjustment for amortization of net prior actuarial losses and prior service costs (Interest expense and other)		**8**		13
Reclassification adjustment for tax (benefit) included in Shareholders' net (loss) income		**(3)**		(3)
Other comprehensive income, net of tax		**5**		10
Ending balance	$	**(910)**	$	(906)

		Three Months Ended March 31,		
(In millions)		2024		2023
Total Accumulated other comprehensive loss				
Beginning balance	$	**(1,864)**	$	(1,658)
Shareholders' other comprehensive (loss), net of tax		**(460)**		(111)
Ending balance	$	**(2,324)**	$	(1,769)

Note 15 – Income Taxes

Income Tax Expense

The 21.3% effective tax rate for the three months ended September 30, 2023 was higher than March 31, 2024 increased due to a valuation allowance related to the 20.4% impairment of equity securities, partially offset by a decrease related to the businesses held for sale and a decrease related to the release of tax reserves following a favorable state audit resolution. The 368.4% effective tax rate for the three months ended September 30, 2022, primarily as a result of increases for March 31, 2024 was higher than the remeasurement of deferred tax liabilities and the Medicare Advantage litigation settlement, partially offset by favorable results relative to the Company's foreign operations. The 19.9% effective tax 18.4% rate for the nine three months ended September 30, 2023 is lower than the 21.0% rate for the nine months ended September 30, 2022 March 31, 2023. The decrease is driven largely by favorable results relative to the Company's foreign operations and the release of uncertain tax positions resulting from favorable audit developments, partially offset by an increase for the remeasurement of deferred tax liabilities.

As of September 30, 2023 March 31, 2024, we had approximately $331 $664 million in deferred tax assets ("DTAs") associated with the impairment of equity securities, as well as unrealized investment losses that are partially recorded in Accumulated other comprehensive loss. We A valuation allowance of $427 million, which drove the higher effective tax rate, was established in the three months ended March 31, 2024, almost entirely related to the impairment of equity securities. For the remainder of the DTAs, we have determined that a valuation allowance against the DTAs is not currently required based on the Company's ability to carry back losses and our ability and intent to hold certain securities until recovery. We continue to monitor and evaluate the need for any additional valuation allowance in the future. allowance.

Note 16 – Contingencies and Other Matters

The Company, through its subsidiaries, is contingently liable for various guarantees provided in the ordinary course of business.

A. Financial Guarantees: Retiree and Life Insurance Benefits

The Company guarantees that separate account assets will be sufficient to pay certain life insurance or retiree benefits. For the majority of these benefits, the sponsoring employers are primarily responsible for ensuring that assets are sufficient to pay these benefits and are required to maintain assets that exceed a certain percentage of benefit obligations. If employers fail to do so, the Company or an affiliate of the buyer of the retirement benefits business has the right to redirect the management of the related assets to provide for benefit payments. As of September 30, 2023 March 31, 2024, employers maintained assets that generally exceeded the benefit obligations under these arrangements of approximately $420 million $410 million. An additional liability is established if management believes that the Company will be required to make payments under the guarantees; there were no additional liabilities required for these guarantees, net of reinsurance, as of September 30, 2023 March 31, 2024. Separate account assets supporting these guarantees are classified in Levels 1 and 2 of the GAAP fair value hierarchy.

The Company does not expect that these financial guarantees will have a material effect on the Company's consolidated results of operations, liquidity or financial condition.

B. Certain Other Guarantees

The Company had indemnification obligations as of September 30, 2023 March 31, 2024 in connection with acquisition and disposition transactions. These indemnification obligations are triggered by the breach of representations or covenants provided by the Company, such as representations for the presentation of financial statements, filing of tax returns, compliance with law laws or regulations or identification of outstanding litigation. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential amount due is subject to contractual limitations based on a stated dollar amount or a percentage of the transaction purchase price, while in other cases limitations are not specified or applicable. The Company does not believe that it is possible to determine the maximum potential amount due under these obligations because not all amounts due under these indemnification obligations are subject to limitation. There were no recorded liabilities for these indemnification obligations as of September 30, 2023 March 31, 2024.

C. Guaranty Fund Assessments

The Company operates in a regulatory environment that may require its participation in assessments under state insurance guaranty association laws. The Company's exposure to assessments for certain obligations of insolvent insurance companies to policyholders and claimants is based on its share of business written in the relevant jurisdictions.

There were no material charges or credits resulting from existing or new guaranty fund assessments for the nine three months ended September 30, 2023 March 31, 2024.

D. Legal and Regulatory Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory inquiries and audits, government investigations, including under the federal False Claims Act and state false claims acts initiated by a government investigating body or by a *qui tam* relator's filing of a complaint under court seal, and other legal matters arising, for the most part, in the ordinary course of managing a

global health services business. Additionally, the Company has received and is cooperating with subpoenas or similar processes from various governmental agencies requesting information, all arising in the normal course of its business. Disputed tax matters arising from audits by the Internal Revenue Service or other state and foreign jurisdictions, including those resulting in litigation, are accounted for under GAAP guidance for uncertain tax positions.

Pending litigation and legal or regulatory matters that the Company has identified with a reasonably possible material loss and certain other material litigation matters are described below. For those matters that the Company has identified with a reasonably possible material loss, the Company provides disclosure in the aggregate of accruals and range of loss, or a statement that such information cannot be estimated. The Company's accruals accrual for the matters matter discussed below under "Litigation Matters" and "Regulatory Matters" are is not material. Due to numerous uncertain factors presented in these cases, this case, it is not possible to estimate an aggregate range of loss (if any) for these matters this matter at this time. In light of the uncertainties involved in these matters, this matter, there is no assurance that their its ultimate resolution will not exceed the amounts amount currently accrued by the Company. An adverse outcome in one or more of these matters this matter could be material to the Company's results of operations, financial condition or liquidity for any particular period. The outcomes of lawsuits are inherently unpredictable and we may be unsuccessful in these this ongoing litigation matters matter or any future claims or litigation.

Litigation Matters

Express Scripts Litigation with Elevance. In March 2016, Elevance filed a lawsuit in the United States District Court for the Southern District of New York alleging various breach of contract claims against Express Scripts relating to the parties' rights and obligations under the periodic pricing review section of the pharmacy benefit management agreement between the parties including allegations that Express Scripts failed to negotiate new pricing concessions in good faith, as well as various alleged service issues. Elevance also requested that the court enter declaratory judgment that Express Scripts is required to provide Elevance competitive benchmark pricing, that Elevance can terminate the agreement and that Express Scripts is required to provide Elevance with post-termination services at competitive benchmark pricing for one year following any termination by Elevance. Elevance claimed it is entitled to $13 billion in additional pricing concessions over the remaining term of the agreement, as well as $1.8 billion for one year following any contract termination by Elevance and $150 million damages for service issues ("Elevance's Allegations"). On April 19, 2016, in response to Elevance's complaint, Express Scripts filed its answer denying Elevance's Allegations in their entirety and asserting affirmative defenses and counterclaims against Elevance. The court subsequently granted Elevance's motion to dismiss two of six counts of Express Scripts' amended counterclaims. Express Scripts filed its Motion for Summary Judgment on August 27, 2021. Elevance completed filing of its Response to Express Scripts' Motion for Summary Judgment on October 16, 2021. Express Scripts filed its Reply in Support of its Motion for Summary Judgment on November 19, 2021. On March 31, 2022, the court granted summary judgment in favor of Express Scripts on all of Elevance's pricing claims for damages totaling $14.8 billion and on most of Elevance's claims relating to service issues. Elevance's only remaining service claims relate to the review or processing of prior authorizations, with alleged damages over $100 million. On November 1, 2023, the parties signed a settlement agreement pursuant to which Express Scripts agreed to resolve the service-related claims. The settlement agreement is not an admission of liability or fault by Express Scripts, the Company or its subsidiaries. Following the settlement, Elevance would retain retains the right to appeal the pricing-related claims that were previously dismissed by the court while and Express Scripts would retain retains the ability to reassert its own pricing-related claims in the event any appeal by Elevance is successful.

Medicare Advantage. A *qui tam* action that was filed by a private individual (the "relator") on behalf of the government in the United States District Court for the Southern District of New York in 2017 was unsealed on August 6, 2020. The action asserts claims related to risk adjustment practices arising from certain health exams conducted as part of the Company's Medicare Advantage business. In September 2021, the *qui tam* action was transferred to the United States District Court for the Middle District of Tennessee. On January 11, 2022, the U.S. Department of Justice ("DOJ") (U.S. Attorney's Offices for the Southern District of New York and the Middle District of Tennessee) filed a motion to partially intervene, which was granted on August 2, 2022. On October 14, 2022, the DOJ Elevance filed its complaint-in-intervention alleging that certain diagnoses made during in-home exams were invalid for risk adjustment purposes, seeking unspecified damages and penalties under the federal False Claims Act. The Company's motion to dismiss the DOJ's complaint is fully briefed and pending before the court. The Company's motion to dismiss relator's complaint was denied as moot after relator asked for and was granted permission to amend his complaint. Relator Notice of Appeal of its pricing-related claims on December 12, 2023. Elevance filed an amended complaint its opening appellate brief on July 28, 2023, which the Company moved to dismiss on September 11, 2023 April 24, 2024. On September 29, 2023, the Company, the relator and the DOJ settled the matter for $37 million plus interest and attorney's fees.

Regulatory Matters

Civil Investigative Demand. The DOJ is conducting industry-wide investigations of Medicare Advantage organizations' risk adjustment practices. For certain Medicare Advantage organizations, including The Cigna Group, those investigations have resulted in litigation (see "Litigation Matters—Medicare Advantage" above). As part of these investigations, the Company responded to information requests (civil investigative demands) from the DOJ (U.S. Attorney's Office for the Eastern District of Pennsylvania) regarding its risk adjustment submissions. On September 29, 2023, the Company settled the DOJ's investigation for approximately $135 million plus interest. In connection with this settlement and the settlement of the litigation (see "Litigation Matters—Medicare

Advantage" above), The Cigna Group also entered into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services Office of the Inspector General, which contains certain auditing and governance requirements for a period of five years from the settlement date.

Note 17 – Segment Information

See Note 1 to the Consolidated Financial Statements for a description of our segments. A description of our basis for reporting segment operating results is outlined below. Intersegment revenues primarily reflect pharmacy and care services transactions between the Evernorth Health Services and Cigna Healthcare segments.

The Company uses "pre-tax adjusted income (loss) from operations" and "adjusted revenues" as its principal financial measures of segment operating performance because management believes these metrics best reflect the underlying results of business operations and permit analysis of trends in underlying revenue, expenses and profitability. We define pre-tax adjusted income (loss) from operations as income (loss) before income taxes excluding pre-tax income (loss) attributable to noncontrolling interests, net realized investment results, amortization of acquired intangible assets, and special items. The Cigna Group'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.

The Company defines adjusted revenues as total revenues excluding the following adjustments: special items and The Cigna Group'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.

The Company does not report total assets by segment because this is not a metric used to allocate resources or evaluate segment performance.

The following table presents the special items charges (benefits) recorded by the Company, as well as the respective financial statement line items impacted:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		Three Months Ended March 31,							
		Three Months Ended March 31,							
		2023		2022		2023		2022	
		Three Months Ended March 31,							
		2024							
(In millions)	*(In millions)*	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**
Charges (benefits) associated with litigation matters (Selling, general and administrative expenses)		**$ 201**	**$ 171**	$ —	$ —	**$ 201**	**$ 171**	$ (28)	$ (20)
(In millions)									
(In millions)									
Integration and transaction-related costs (Selling, general and administrative expenses)									
Integration and transaction-related costs (Selling, general and administrative expenses)									
Integration and transaction-related costs (Selling, general and administrative expenses)									
Loss (gain) on sale of businesses	Loss (gain) on sale of businesses	**21**	**19**	(1,735)	(1,388)	**21**	**19**	(1,735)	(1,388)
Integration and transaction-related costs (Selling, general and administrative expenses)		**13**	**9**	24	23	**20**	**15**	112	86
Charge for organizational efficiency plan (Selling, general and administrative expenses)		**—**	**—**	—	—	**—**	**—**	22	17
Loss (gain) on sale of businesses									
Loss (gain) on sale of businesses									

Deferred tax expenses, net (Income taxes, less amount attributable to noncontrolling interests)																	
Deferred tax expenses, net (Income taxes, less amount attributable to noncontrolling interests)																	
Deferred tax expenses, net (Income taxes, less amount attributable to noncontrolling interests)																	
Total impact from special items	Total impact from special items	**$**	**235**	**$**	**199**	$	(1,711)	$	(1,365)	**$**	**242**	**$**	**205**	$	(1,629)	$	(1,305)
Total impact from special items																	
Total impact from special items																	

Effective January 1, 2023, we adopted amended accounting guidance for long-duration insurance contracts. See Note 2 to the Consolidated Financial Statements for further information. Prior period summarized segment information has been retrospectively adjusted to conform to this new basis of accounting. Summarized segment financial information was as follows:

(In millions)		Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Three months ended September 30, 2023										
Revenues from external customers	**$**	**37,230**	**$**	**11,426**	**$**	**71**	**$**	**—**	**$**	**48,727**
Intersegment revenues		**1,303**		**1,136**		**—**		**(2,439)**		
Net investment income		**63**		**176**		**76**		**6**		**321**
Total revenues		**38,596**		**12,738**		**147**		**(2,433)**		**49,048**
Net realized investment results from certain equity method investments		**—**		**30**		**—**		**—**		**30**
Adjusted revenues	**$**	**38,596**	**$**	**12,768**	**$**	**147**	**$**	**(2,433)**	**$**	**49,078**
Income (loss) before income taxes	**$**	**1,272**	**$**	**1,019**	**$**	**(3)**	**$**	**(448)**	**$**	**1,840**
Pre-tax adjustments to reconcile to adjusted income from operations										
(Income) attributable to noncontrolling interests		**(44)**		**—**		**—**		**—**		**(44)**
Net realized investment losses (1)		**1**		**35**		**8**		**—**		**44**
Amortization of acquired intangible assets		**443**		**11**		**—**		**—**		**454**
Special items										
Charges associated with litigation matters		**44**		**157**		**—**		**—**		**201**
Loss on sale of businesses		**—**		**—**		**21**		**—**		**21**
Integration and transaction-related costs		**—**		**—**		**—**		**13**		**13**
Pre-tax adjusted income (loss) from operations	**$**	**1,716**	**$**	**1,222**	**$**	**26**	**$**	**(435)**	**$**	**2,529**

(In millions)		Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Three months ended September 30, 2022										
Revenues from external customers	$	34,670	$	10,329	$	78	$	—	$	45,077
Intersegment revenues		1,003		667		—		(1,670)		
Net investment income		25		101		75		3		204
Total revenues		35,698		11,097		153		(1,667)		45,281
Net realized investment results from certain equity method investments		—		80		—		—		80
Adjusted revenues	$	35,698	$	11,177	$	153	$	(1,667)	$	45,361
Income (loss) before income taxes	$	1,200	$	876	$	1,755	$	(340)	$	3,491
Pre-tax adjustments to reconcile to adjusted income from operations										
(Income) attributable to noncontrolling interests		(17)		(1)		(4)		—		(22)
Net realized investment losses (1)		—		158		4		—		162

	Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Amortization of acquired intangible assets		442		17		1		—	460
Special items									
(Gain) on sale of businesses		—		—		(1,735)		—	(1,735)
Integration and transaction-related costs		—		—		—		24	24
Pre-tax adjusted income (loss) from operations	$	1,625	$	1,050	$	21	$	(316)	$ 2,380

(In millions)		Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Three months ended March 31, 2024										
Revenues from external customers	**$**	**44,886**	**$**	**12,012**	**$**	**66**	**$**	**1**	**$**	**56,965**
Intersegment revenues		**1,281**		**1,124**		**25**		**(2,430)**		
Net investment income		**59**		**149**		**75**		**7**		**290**
Total revenues		**46,226**		**13,285**		**166**		**(2,422)**		**57,255**
Net realized investment results from certain equity method investments		**—**		**(8)**		**—**		**—**		**(8)**
Adjusted revenues	**$**	**46,226**	**$**	**13,277**	**$**	**166**	**$**	**(2,422)**	**$**	**57,247**
(Loss) income before income taxes	**$**	**(436)**	**$**	**943**	**$**	**18**	**$**	**(446)**	**$**	**79**
Pre-tax adjustments to reconcile to adjusted income from operations										
(Income) attributable to noncontrolling interests		**(77)**		**—**		**—**		**—**		**(77)**
Net realized investment losses (1)		**1,456**		**372**		**—**		**—**		**1,828**
Amortization of acquired intangible assets		**417**		**6**		**—**		**—**		**423**
Special items										
Integration and transaction-related costs		**—**		**—**		**—**		**37**		**37**
Loss on sale of businesses		**—**		**19**		**—**		**—**		**19**
Pre-tax adjusted income (loss) from operations	**$**	**1,360**	**$**	**1,340**	**$**	**18**	**$**	**(409)**	**$**	**2,309**

(In millions)		Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Three months ended March 31, 2023										
Revenues from external customers	$	34,511	$	11,650	$	79	$	—	$	46,240
Intersegment revenues		1,618		963		—		(2,581)		
Net investment income		50		143		78		6		277
Total revenues		36,179		12,756		157		(2,575)		46,517
Net realized investment results from certain equity method investments		—		(38)		—		—		(38)
Adjusted revenues	$	36,179	$	12,718	$	157	$	(2,575)	$	46,479
Income (loss) before income taxes	$	918	$	1,077	$	21	$	(415)	$	1,601
Pre-tax adjustments to reconcile to adjusted income from operations										
(Income) attributable to noncontrolling interests		(42)		(1)		—		—		(43)
Net realized investment losses (gains) (1)		—		24		(6)		—		18
Amortization of acquired intangible assets		444		15		—		—		459
Special items										
Integration and transaction-related costs		—		—		—		1		1
Pre-tax adjusted income (loss) from operations	$	1,320	$	1,115	$	15	$	(414)	$	2,036

(1) *Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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. accounting, which are presented within Fees and other revenues in our Consolidated Statements of Income.*

(In millions)		Evernorth Health Services		Cigna Healthcare		Other Operations		Corporate and Eliminations		Total
Nine months ended September 30, 2023										
Revenues from external customers	**$**	**108,462**	**$**	**34,581**	**$**	**232**	**$**	**—**	**$**	**143,275**
Intersegment revenues		**4,343**		**3,143**		**—**		**(7,486)**		
Net investment income		**175**		**454**		**230**		**17**		**876**
Total revenues		**112,980**		**38,178**		**462**		**(7,469)**		**144,151**
Net realized investment results from certain equity method investments		**—**		**22**		**—**		**—**		**22**
Adjusted revenues	**$**	**112,980**	**$**	**38,200**	**$**	**462**	**$**	**(7,469)**	**$**	**144,173**

Income (loss) before income taxes	**$ 3,318**	**$ 3,252**	**$ 47**	**$ (1,292)**	**$ 5,325**
Pre-tax adjustments to reconcile to adjusted income from operations					
(Income) attributable to noncontrolling interests	**(140)**	**(2)**	**—**	**—**	**(142)**
Net realized investment losses (1)	**—**	**64**	**2**	**—**	**66**
Amortization of acquired intangible assets	**1,330**	**38**	**—**	**—**	**1,368**
Special items					
Charges associated with litigation matters	**44**	**157**	**—**	**—**	**201**
Loss on sale of businesses	**—**	**—**	**21**	**—**	**21**
Integration and transaction-related costs	**—**	**—**	**—**	**20**	**20**
Pre-tax adjusted income (loss) from operations	**$ 4,552**	**$ 3,509**	**$ 70**	**$ (1,272)**	**$ 6,859**

(In millions)	Evernorth Health Services	Cigna Healthcare	Other Operations	Corporate and Eliminations	Total
Nine months ended September 30, 2022					
Revenues from external customers	$ 100,675	$ 31,411	$ 1,736	$ —	$ 133,822
Intersegment revenues	3,421	1,815	—	(5,236)	
Net investment income	51	545	344	3	943
Total revenues	104,147	33,771	2,080	(5,233)	134,765
Net realized investment results from certain equity method investments	—	134	—	—	134
Adjusted revenues	$ 104,147	$ 33,905	$ 2,080	$ (5,233)	$ 134,899
Income (loss) before income taxes	$ 3,114	$ 2,953	$ 2,138	$ (1,166)	$ 7,039
Pre-tax adjustments to reconcile to adjusted income from operations					
(Income) attributable to noncontrolling interests	(41)	(2)	(11)	—	(54)
Net realized investment losses (1)	—	542	85	—	627
Amortization of acquired intangible assets	1,329	89	1	—	1,419
Special items					
(Benefits) associated with litigation matters	—	—	—	(28)	(28)
(Gain) on sale of businesses	—	—	(1,735)	—	(1,735)
Integration and transaction-related costs	—	—	—	112	112
Charge for organizational efficiency plan	—	—	—	22	22
Pre-tax adjusted income (loss) from operations	$ 4,402	$ 3,582	$ 478	$ (1,060)	$ 7,402

(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.*

Revenue from external customers includes Pharmacy revenues, Premiums and Fees and other revenues. Prior period amounts have been retrospectively adjusted to reflect adoption of amended accounting guidance for long-duration insurance contracts, as discussed in Note 2 to the Consolidated Financial Statements. The following table presents these revenues by product, premium and service type:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(In millions)	*(In millions)*	2023	2022	2023	2022
Products (Pharmacy revenues) (ASC 606)	**Products (Pharmacy revenues) (ASC 606)**				
Products (Pharmacy revenues) (ASC 606)					
Products (Pharmacy revenues) (ASC 606)					
Network revenues					
Network revenues					
Network revenues	Network revenues	**$ 16,926**	$ 16,583	**$ 49,080**	$ 48,221
Home delivery and specialty revenues	Home delivery and specialty revenues	**16,324**	15,583	**48,943**	45,550
Home delivery and specialty revenues					
Home delivery and specialty revenues					
Other revenues	Other revenues	**2,390**	1,630	**6,506**	5,009

Other revenues					
Other revenues					
Total Evernorth Health Services					
Total Evernorth Health Services					
Total Evernorth Health Services					
Total Other Operations					
Total Other Operations					
Total Other Operations					
Intercompany eliminations	Intercompany eliminations	**(1,109)**	(1,034)	**(3,890)**	(3,349)
Total pharmacy revenues		**34,531**	32,762	**100,639**	95,431
Intercompany eliminations					
Intercompany eliminations					
Total Pharmacy revenues					
Total Pharmacy revenues					
Total Pharmacy revenues					
Insurance premiums (ASC 944)					
Insurance premiums (ASC 944)					
Insurance premiums (ASC 944)	**Insurance premiums (ASC 944)**				
Cigna Healthcare (1)	Cigna Healthcare (1)				
U.S. Commercial (1)					
Insured		**4,144**	3,821	**12,315**	11,312
Cigna Healthcare (1)					
Cigna Healthcare (1)					
U.S. Healthcare					
U.S. Healthcare					
U.S. Healthcare					
Employer insured					
Employer insured					
Employer insured					
Medicare Advantage					
Medicare Advantage					
Medicare Advantage					
Stop loss	Stop loss	**1,548**	1,384	**4,565**	4,053
Stop loss					
Stop loss					
Individual and Family Plans					
Individual and Family Plans					
Individual and Family Plans					
Other	Other	**362**	353	**1,095**	1,065
U.S. Government (1)					
Medicare Advantage		**2,189**	1,949	**6,605**	6,080
Medicare Part D		**224**	240	**984**	986
Other	Other				
Short-duration (Individual and family plans)		**1,266**	697	**3,767**	2,014
Long-duration(2) (Individual Medicare supplement and limited benefit health products)		**344**	332	**1,015**	993
Other					
U.S. Healthcare					
U.S. Healthcare					
U.S. Healthcare					
International Health	International Health				
Short-duration (Group medical insurance)		**743**	655	**2,174**	1,911

Long-duration(2) (Individual private medical insurance)		**91**	77	**266**	235
International Health					
International Health					
Total Cigna Healthcare	Total Cigna Healthcare	**10,911**	9,508	**32,786**	28,649
Divested International businesses		**—**	—	**—**	1,500
Total Cigna Healthcare					
Total Cigna Healthcare					
Other					
Other					
Other	Other	**70**	76	**225**	219
Intercompany eliminations	Intercompany eliminations	**17**	2	**51**	—
Total premiums		**10,998**	9,586	**33,062**	30,368
Intercompany eliminations					
Intercompany eliminations					
Total Premiums					
Total Premiums					
Total Premiums					
Services (Fees) (ASC 606)	**Services (Fees) (ASC 606)**				
Services (Fees) (ASC 606)					
Services (Fees) (ASC 606)					
Evernorth Health Services					
Evernorth Health Services					
Evernorth Health Services	Evernorth Health Services	**2,862**	1,875	**8,199**	5,289
Cigna Healthcare	Cigna Healthcare	**1,639**	1,530	**4,847**	4,504
Cigna Healthcare					
Cigna Healthcare					
Other Operations					
Other Operations					
Other Operations	Other Operations	**1**	—	**3**	9
Other revenues	Other revenues	**43**	(38)	**172**	108
Other revenues					
Other revenues					
Intercompany eliminations	Intercompany eliminations	**(1,347)**	(638)	**(3,647)**	(1,887)
Total fees and other revenues		**3,198**	2,729	**9,574**	8,023
Intercompany eliminations					
Intercompany eliminations					
Total Fees and other revenues					
Total Fees and other revenues					
Total Fees and other revenues					
Total revenues from external customers	Total revenues from external customers	**$ 48,727**	$ 45,077	**$ 143,275**	$ 133,822
Total revenues from external customers					
Total revenues from external customers					

(1) Other than Cigna Healthcare includes the long-duration products referenced in U.S. Healthcare and International Health operating segments, which provide comprehensive medical and coordinated solutions to clients and customers. During the table, fourth quarter of 2023, the U.S. Commercial and U.S. Government insurance contracts are short-duration.

(2) operating segments merged to form the U.S. Government's and International Health's long-duration premium revenues are associated with contracts that provide coverage greater than one year or are guaranteed Healthcare operating segment. Information presented for the three months ended March 31, 2023 has been restated to be renewed at conform to the option of the policyholder beyond one year. new operating segment presentation.

Financial and performance guarantees. Evernorth Health Services may also provide certain financial and performance guarantees, including a minimum level of discounts a client may receive, generic utilization rates and various service levels. Clients may be entitled to receive compensation if we fail to meet the guarantees. Actual performance is compared to the contractual guarantee for each measure throughout the period and the Company defers revenue for any estimated payouts within Accrued expenses and other liabilities (current). These estimates are adjusted and paid following the end of the annual guarantee period. Historically, adjustments to original estimates have not been material. This guarantee liability was $1.3 billion $1.9 billion as of each March 31, 2024 and $1.6 billion as of September 30, 2023 and December 31, 2022 December 31, 2023.

Major customers. Revenues from a single pharmacy benefit client were approximately 15% of consolidated revenues for the three months endedMarch 31, 2024. These amounts were reported in the Evernorth Health Services segment.

Additionally, revenues from U.S. Federal Government agencies, under a number of contracts, were approximately 13% of consolidated revenues for the three months endedMarch 31, 2024. These amounts were reported in the Evernorth Health Services and Cigna Healthcare segments. See Note 25 in the Company's 2023 Form 10-K for prior year revenue concentration information.

Item 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist you in better understanding and evaluating our financial condition as of September 30, 2023 March 31, 2024, compared with December 31, 2022 December 31, 2023 and our results of operations for the three and nine months ended September 30, 2023 March 31, 2024, compared with the same periods period last year and is intended to help you understand the ongoing trends in our business. We encourage you to read this MD&A in conjunction with our Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 ("2022 2023 Form 10-K"). In particular, we encourage you to refer to the "Risk Factors" contained in Part I, Item 1A of our 2022 2023 Form 10-K.

Unless otherwise indicated, financial information in this MD&A is presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See Note 2 to the Consolidated Financial Statements in our 2022 2023 Form 10-K for additional information regarding the Company's significant accounting policies and see Notes Note 2 and 9 to the Consolidated Financial Statements in this Form 10-Q for updates to those policies resulting from adopting Accounting Standards Update 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts ("LDTI"), and related amendments, effective January 1, 2023. new accounting guidance, if any. The preparation of interim consolidated financial statements necessarily relies heavily on estimates. This and certain other factors call for caution in estimating full-year results based on interim results of operations. In some of our financial tables in this MD&A, we present either percentage changes or "N/M" when those changes are so large as to become not meaningful. Changes in percentages are expressed in basis points ("bps").

In this MD&A, our consolidated measures "adjusted income from operations," earnings per share on that same basis and "adjusted revenues" are not determined in accordance with GAAP and should not be viewed as substitutes for the most directly comparable GAAP measures of "shareholders' net income (loss)," "earnings per share" and "total revenues." We also use pre-tax adjusted income (loss) from operations and adjusted revenues to measure the results of our segments.

The Company uses "pre-tax adjusted income (loss) from operations" and "adjusted revenues" as its principal financial measures of segment operating performance because management believes these metrics best reflect the underlying results of business operations and permit analysis of trends in underlying revenue, expenses and profitability. We define adjusted income from operations as shareholders' net income (loss) (or income (loss) 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. The Cigna Group'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. income (loss). See the below Financial Highlights section for a reconciliation of consolidated adjusted income from operations to shareholders' net income. income (loss).

The Company defines adjusted revenues as total revenues excluding the following adjustments: special items and The Cigna Group'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 below Financial Highlights section for a reconciliation of consolidated adjusted revenues to total revenues.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on The Cigna Group's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning future financial or operating performance, including our ability to improve the health and vitality of those we serve; future growth, business strategy, and strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas and the impact of developing inflationary and interest rate pressures; financing or capital deployment plans and amounts available for future deployment; our prospects for growth in the coming years; strategic transactions; expectations related to our Medicare Advantage Capitation Rates; and other statements regarding The Cigna Group's future beliefs, expectations, plans, intentions, liquidity, cash flows, financial condition or performance. You may identify forward-looking statements by the use of words such as "believe," "expect," "project," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our strategic and operational initiatives; our ability to adapt to changes in an evolving and rapidly changing industry; our ability to compete effectively, differentiate our products and services from those of our competitors and maintain or increase market share; price competition, inflation and other pressures that could compress our margins or result in premiums that are insufficient to cover the cost of services delivered to our customers; the potential for actual claims to exceed our estimates related to expected medical claims; our ability to develop and maintain satisfactory relationships with physicians, hospitals, other health service providers and with producers and consultants; our ability to maintain relationships with one or more key pharmaceutical manufacturers or if payments made or discounts provided decline; changes in the pharmacy provider marketplace or pharmacy networks; changes in drug pricing or industry pricing benchmarks; our ability to invest in and properly maintain our information technology and other business systems; our ability to prevent or contain effects of a potential cyberattack or other privacy or data security incident; risks related to our use of artificial intelligence and machine learning; political, legal, operational, regulatory, economic and other risks that could affect our multinational operations, including currency exchange rates; risks related to strategic transactions and realization of the expected benefits of such transactions, as well as integration or separation difficulties or underperformance relative to expectations; dependence on success of relationships with third parties; risk of significant disruption within our operations or among key suppliers or third parties; potential liability in connection with managing medical practices and operating pharmacies, onsite clinics and other types of medical facilities; the substantial level of government regulation over our business and the potential effects of new laws or regulations or changes in existing laws or regulations; uncertainties surrounding participation in government-sponsored programs such as Medicare; the outcome of litigation, regulatory audits and investigations; compliance with applicable privacy, security and data laws, regulations and standards; potential failure of our prevention, detection and control systems; unfavorable economic and market conditions, the risk of a recession or other economic downturn and resulting impact on employment metrics, stock market or changes in interest rates and risks related to a downgrade in financial strength ratings of our insurance subsidiaries; the impact of our significant indebtedness and the potential for further indebtedness in the future; credit risk related to our reinsurers; as well as more specific risks and uncertainties discussed in Part I, Item 1A – Risk Factors in our 2022 2023 Form 10-K, Part II, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 2023 Form 10-K, and as described from time to time in our future reports filed with the Securities and Exchange Commission.

You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. The Cigna Group undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

EXECUTIVE OVERVIEW

The Cigna Group, together with its subsidiaries (either individually or collectively referred to as the "Company," "we," "us" or "our") is a global health company with a mission of helping those we serve improve their health and vitality. Our subsidiaries offer a differentiated set of pharmacy, medical, behavioral, dental and related products and services. For further information on our business and strategy, see Part 1, Item 1, "Business" of our 2022 2023 Form 10-K.

Financial Highlights

See Note 1 to the Consolidated Financial Statements for a description of our segments. Effective January 1, 2023, we adopted amended accounting guidance for long-duration insurance contracts. Prior period Financial highlights and Results of operations have been retrospectively adjusted to conform to this new basis of accounting. The commentary provided below describes our results for the three and nine months ended September 30, 2023 compared with the same periods in 2022. Unless specified otherwise, commentary applies to both the three and nine month periods.

Summarized below are certain key measures of our performance by segment:

Financial highlights by segment	**Financial highlights by segment**						
		Three Months Ended September 30,			**Nine Months Ended September 30,**		
Financial highlights by segment							
Financial highlights by segment							
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
(Dollars in millions, except per share amounts)							
(Dollars in millions, except per share amounts)							
(Dollars in millions, except per share amounts)	*(Dollars in millions, except per share amounts)*	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Revenues	**Revenues**						
Revenues							

Revenues													
Adjusted revenues by segment													
Adjusted revenues by segment													
Adjusted revenues by segment	**Adjusted revenues by segment**												
Evernorth Health Services	Evernorth Health Services	**$**	**38,596**	$	35,698	8	%	**$**	**112,980**	$	104,147	8	%
Evernorth Health Services													
Evernorth Health Services													
Cigna Healthcare													
Cigna Healthcare													
Cigna Healthcare	Cigna Healthcare		**12,768**		11,177	14			**38,200**		33,905	13	
Other Operations	Other Operations		**147**		153	(4)			**462**		2,080	(78)	
Other Operations													
Other Operations													
Corporate, net of eliminations													
Corporate, net of eliminations													
Corporate, net of eliminations	Corporate, net of eliminations		**(2,433)**		(1,667)	(46)			**(7,469)**		(5,233)	(43)	
Adjusted revenues	Adjusted revenues		**49,078**		45,361	8			**144,173**		134,899	7	
Adjusted revenues													
Adjusted revenues													
Net realized investment results from certain equity method investments													
Net realized investment results from certain equity method investments													
Net realized investment results from certain equity method investments	Net realized investment results from certain equity method investments		**(30)**		(80)	63			**(22)**		(134)	84	
Total revenues	Total revenues	**$**	**49,048**	$	45,281	8	%	**$**	**144,151**	$	134,765	7	%
Shareholders' net income		**$**	**1,408**	$	2,757	(49)	%	**$**	**4,135**	$	5,511	(25)	%
Total revenues													
Total revenues													
Shareholders' net (loss) income													
Shareholders' net (loss) income													
Shareholders' net (loss) income													
Adjusted income from operations													
Adjusted income from operations													
Adjusted income from operations	**Adjusted income from operations**	**$**	**2,011**	$	1,859	8	%	**$**	**5,449**	$	5,780	(6)	%
Earnings per share (diluted)	**Earnings per share (diluted)**												
Shareholders' net income		**$**	**4.74**	$	8.97	(47)	%	**$**	**13.89**	$	17.46	(20)	%
Earnings per share (diluted)													
Earnings per share (diluted)													
Shareholders' net (loss) income													
Shareholders' net (loss) income													
Shareholders' net (loss) income													
Adjusted income from operations													
Adjusted income from operations													

Adjusted income from operations	Adjusted income from operations	**$ 6.77**	$ 6.05	12 %	**$ 18.31**	$ 18.31	— %
Pre-tax adjusted income (loss) from operations by segment	**Pre-tax adjusted income (loss) from operations by segment**						
Pre-tax adjusted income (loss) from operations by segment							
Pre-tax adjusted income (loss) from operations by segment							
Evernorth Health Services							
Evernorth Health Services							
Evernorth Health Services	Evernorth Health Services	**$ 1,716**	$ 1,625	6 %	**$ 4,552**	$ 4,402	3 %
Cigna Healthcare	Cigna Healthcare	**1,222**	1,050	16	**3,509**	3,582	(2)
Cigna Healthcare							
Cigna Healthcare							
Other Operations							
Other Operations							
Other Operations	Other Operations	**26**	21	24	**70**	478	(85)
Corporate, net of eliminations	Corporate, net of eliminations	**(435)**	(316)	(38)	**(1,272)**	(1,060)	(20)
Corporate, net of eliminations							
Corporate, net of eliminations							
Consolidated pre-tax adjusted income from operations							
Consolidated pre-tax adjusted income from operations							
Consolidated pre-tax adjusted income from operations	Consolidated pre-tax adjusted income from operations	**2,529**	2,380	6	**6,859**	7,402	(7)
Income attributable to noncontrolling interests	Income attributable to noncontrolling interests	**44**	22	100	**142**	54	163
Net realized investment losses (1)		**(44)**	(162)	73	**(66)**	(627)	89
Income attributable to noncontrolling interests							
Income attributable to noncontrolling interests							
Net realized investment (losses) (1)							
Net realized investment (losses) (1)							
Net realized investment (losses) (1)							
Amortization of acquired intangible assets							
Amortization of acquired intangible assets							
Amortization of acquired intangible assets	Amortization of acquired intangible assets	**(454)**	(460)	1	**(1,368)**	(1,419)	4
Special items	Special items	**(235)**	1,711	N/M	**(242)**	1,629	N/M
Special items							
Special items							
Income before income taxes	**Income before income taxes**	**$ 1,840**	$ 3,491	(47) %	**$ 5,325**	$ 7,039	(24) %

Income before income taxes

Income before income taxes

(1) Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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. accounting, which are presented within Fees and other revenues in our Consolidated Statements of Income.

For further analysis and explanation of each segment's results, see the "Segment Reporting" section of this MD&A.

Consolidated Results of Operations (GAAP basis)

Consolidated Results of Operations (GAAP basis)

Consolidated Results of Operations (GAAP basis)

Consolidated Results of Operations (GAAP basis)

Three Months Ended March 31,

Three Months Ended March 31,

Three Months Ended March 31,

(Dollars in millions)

(Dollars in millions)

		Three Months Ended September 30,			**Nine Months Ended September 30,**		
(Dollars in millions)	*(Dollars in millions)*	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Pharmacy revenues	Pharmacy revenues	**$ 34,531**	$ 32,762	5 %	**$ 100,639**	$ 95,431	5 %
Pharmacy revenues							
Pharmacy revenues							
Premiums							
Premiums							
Premiums	Premiums	**10,998**	9,586	15	**33,062**	30,368	9
Fees and other revenues	Fees and other revenues	**3,198**	2,729	17	**9,574**	8,023	19
Fees and other revenues							
Fees and other revenues							
Net investment income							
Net investment income							
Net investment income	Net investment income	**321**	204	57	**876**	943	(7)
Total revenues	**Total revenues**	**49,048**	45,281	8	**144,151**	134,765	7
Total revenues							
Total revenues							
Pharmacy and other service costs							
Pharmacy and other service costs							
Pharmacy and other service costs	Pharmacy and other service costs	**33,639**	31,777	6	**98,540**	92,740	6
Medical costs and other benefit expenses	Medical costs and other benefit expenses	**8,927**	7,751	15	**27,007**	24,215	12
Medical costs and other benefit expenses							
Medical costs and other benefit expenses							
Selling, general and administrative expenses							
Selling, general and administrative expenses							

Selling, general and administrative expenses	Selling, general and administrative expenses	**3,788**	3,151	20	**10,760**	9,690	11
Amortization of acquired intangible assets	Amortization of acquired intangible assets	**454**	460	(1)	**1,368**	1,419	(4)
Amortization of acquired intangible assets							
Amortization of acquired intangible assets							
Total benefits and expenses							
Total benefits and expenses							
Total benefits and expenses	**Total benefits and expenses**	**46,808**	43,139	9	**137,675**	128,064	8
Income from operations	Income from operations	**2,240**	2,142	5	**6,476**	6,701	(3)
Income from operations							
Income from operations							
Interest expense and other							
Interest expense and other							
Interest expense and other	Interest expense and other	**(365)**	(304)	(20)	**(1,086)**	(904)	(20)
(Loss) gain on sale of businesses		**(21)**	1,735	N/M	**(21)**	1,735	N/M
(Loss) on sale of businesses							
(Loss) on sale of businesses							
(Loss) on sale of businesses							
Net realized investment losses							
Net realized investment losses							
Net realized investment losses	Net realized investment losses	**(14)**	(82)	83	**(44)**	(493)	91
Income before income taxes	**Income before income taxes**	**1,840**	3,491	(47)	**5,325**	7,039	(24)
Income before income taxes							
Income before income taxes							
Total income taxes	Total income taxes	**391**	713	(45)	**1,060**	1,479	(28)
Net income		**1,449**	2,778	(48)	**4,265**	5,560	(23)
Total income taxes							
Total income taxes							
Net (loss) income							
Net (loss) income							
Net (loss) income							
Less: Net income attributable to noncontrolling interests	Less: Net income attributable to noncontrolling interests	**41**	21	95	**130**	49	165
Shareholders' net income		**$ 1,408**	$ 2,757	(49) %	**$ 4,135**	$ 5,511	(25) %
Less: Net income attributable to noncontrolling interests							
Less: Net income attributable to noncontrolling interests							
Shareholders' net (loss) income							
Shareholders' net (loss) income							
Shareholders' net (loss) income							
Consolidated effective tax rate							
Consolidated effective tax rate							

Consolidated effective tax rate	Consolidated effective tax rate	**21.3**	**%**	20.4	%	90	bps	**19.9**	**%**	21.0	%	(110) bps
Medical customers (in thousands)	**Medical customers (in thousands)**							**19,607**		17,954		9 %

Medical customers (in thousands)

Medical customers (in thousands)

Reconciliation of Shareholders' Net Income (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

	Three Months Ended March 31,
	2024
	2024
	2024
(In millions)	
(In millions)	
(In millions)	
Shareholders' net (loss) income	
Shareholders' net (loss) income	
Shareholders' net (loss) income	
Adjustments to reconcile to adjusted income from operations	
Adjustments to reconcile to adjusted income from operations	
Adjustments to reconcile to adjusted income from operations	
Net realized investment losses (1)	
Net realized investment losses (1)	
Net realized investment losses (1)	
Amortization of acquired intangible assets	
Amortization of acquired intangible assets	

Amortization of acquired intangible assets

Special items

Special items

Special items

Integration and transaction-related costs

Integration and transaction-related costs

Integration and transaction-related costs

Loss (gain) on sale of businesses

Loss (gain) on sale of businesses

Loss (gain) on sale of businesses

Deferred tax expenses, net

Deferred tax expenses, net

Deferred tax expenses, net

	Three Months Ended September 30,				**Nine Months Ended September 30,**			
	2023		**2022**		**2023**		**2022**	
(In millions)	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**
Shareholders' net income		**$1,408**		$2,757		**$4,135**		$5,511
Adjustments to reconcile to adjusted income from operations								
Net realized investment losses (1)	**$ 44**	**41**	$ 162	145	**$ 66**	**56**	$ 627	513
Amortization of acquired intangible assets	**454**	**363**	460	322	**1,368**	**1,053**	1,419	1,061
Special items								
Charges (benefits) associated with litigation matters	**201**	**171**	—	—	**201**	**171**	(28)	(20)
Loss (gain) on sale of businesses	**21**	**19**	(1,735)	(1,388)	**21**	**19**	(1,735)	(1,388)
Integration and transaction-related costs	**13**	**9**	24	23	**20**	**15**	112	86
Charge for organizational efficiency plan	**—**	**—**	—	—	**—**	**—**	22	17

Total special items									
Total special items									
Total special items	Total special items	$235	199	$(1,711)	(1,365)	$ 242	205	$(1,629)	(1,305)
Adjusted income from operations	**Adjusted income from operations**		**$2,011**		$1,859		**$5,449**		$5,780
Adjusted income from operations									
Adjusted income from operations									

(1) Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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. accounting, which are presented within Fees and other revenues in our Consolidated Statements of Income.

Reconciliation of Shareholders' Net Income (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

Reconciliation of Shareholders' Net Income (Loss) (GAAP) to Adjusted Income from Operations

		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended September 30,				**Nine Months Ended September 30,**			
		2023		**2022**		**2023**		**2022**	
		2024							
		2024							
		2024							
(Diluted Earnings Per Share)	*(Diluted Earnings Per Share)*	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**	**Pre-tax**	**After-tax**
Shareholders' net income			**$ 4.74**		$ 8.97		**$ 13.89**		$ 17.46
(Diluted Earnings Per Share)									
(Diluted Earnings Per Share)									
Shareholders' net (loss) income (1)									
Shareholders' net (loss) income (1)									
Shareholders' net (loss) income (1)									
Adjustments to reconcile to adjusted income from operations	**Adjustments to reconcile to adjusted income from operations**								
Net realized investment losses (1)		**$ 0.15**	**0.14**	$ 0.53	0.48	**$ 0.22**	**0.19**	$ 1.99	1.62
Adjustments to reconcile to adjusted income from operations									
Adjustments to reconcile to adjusted income from operations									
Net realized investment losses (2)									
Net realized investment losses (2)									
Net realized investment losses (2)									
Amortization of acquired intangible assets									
Amortization of acquired intangible assets									

Amortization of acquired intangible assets	Amortization of acquired intangible assets	**1.53**	**1.22**	1.50	1.05	**4.60**	**3.54**	4.50	3.36
Special items	**Special items**								
Charges (benefits) associated with litigation matters		**0.68**	**0.58**	—	—	**0.67**	**0.58**	(0.09)	(0.06)
Special items									
Special items									
Integration and transaction-related costs									
Integration and transaction-related costs									
Integration and transaction-related costs									
Loss (gain) on sale of businesses	Loss (gain) on sale of businesses	**0.07**	**0.06**	(5.64)	(4.52)	**0.07**	**0.06**	(5.49)	(4.39)
Integration and transaction-related costs		**0.04**	**0.03**	0.08	0.07	**0.07**	**0.05**	0.35	0.27
Charge for organizational efficiency plan		**—**	**—**	—	—	**—**	**—**	0.07	0.05
Loss (gain) on sale of businesses									
Loss (gain) on sale of businesses									
Deferred tax expenses, net									
Deferred tax expenses, net									
Deferred tax expenses, net									
Total special items	Total special items	**$ 0.79**	**0.67**	$ (5.56)	(4.45)	**$ 0.81**	**0.69**	$ (5.16)	(4.13)
Adjusted income from operations			**$ 6.77**		$ 6.05		**$ 18.31**		$ 18.31
Total special items									
Total special items									
Adjusted income from operations (3)									
Adjusted income from operations (3)									
Adjusted income from operations (3)									

(1) *For the three months ended March 31, 2024, due to the anti-dilutive effect resulting from the Shareholders' net loss for the period, the impact of potentially dilutive securities has been excluded from the calculation of weighted average shares for the calculation of diluted Shareholders' net loss per share. Weighted average common shares outstanding used to calculate diluted Shareholders' net loss per share for the three months ended March 31, 2024 were 286,465 thousand.*

(2) *Includes Net realized investment losses as presented in our Consolidated Statements of Income, as well as 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. accounting, which are presented within Fees and other revenues in our Consolidated Statements of Income.*

(3) *For the three months ended March 31, 2024, due to the adjusted income from operations, the number of weighted average shares used to calculate Adjusted income from operations per share reflects the dilution caused by outstanding stock options, unvested restricted stock grants and units and strategic performance shares. Weighted average common shares outstanding used to calculate Adjusted income from operations per share for the three months ended March 31, 2024 were 289,717 thousand.*

Commentary: Three and Nine Months Ended September 30, 2023 March 31, 2024 versus Three and Nine Months Ended September 30, 2022 March 31, 2023

The commentary presented below, and in the segment discussions that follow, compare results for the three and nine months ended September 30, 2023 March 31, 2024 with results for the three and nine months ended September 30, 2022 March 31, 2023. Unless specified otherwise, commentary applies to both the three and nine month periods.

Shareholders' net income loss for the three months ended March 31, 2024 ***decreased 49% and 25%*** was driven by the impairment of equity securities (see Note 11 to the Consolidated Financial Statements for further discussion), respectively, primarily reflecting the absence of the gain on the sale of our life, accident and supplemental health benefits business in six countries sold on July 1, 2022 (the "Chubb transaction"). offset by adjusted income from operations.

Adjusted income from operations increased 8% for the three months ended September 30, 2023 16%, primarily driven by higher earnings in our Cigna Healthcare and Evernorth Health Services and Cigna Healthcare segments. The decrease of 6% for the nine months ended September 30, 2023 primarily reflects the absence of earnings from the businesses divested in the Chubb transaction.

Medical customers increased 9%decreased 1%, primarily reflecting growtha decline in fee-based customers as well as inand Individual and Medicare AdvantageFamily Plans customers. See Part I, Item 1the "Segment Reporting - Cigna Healthcare Segment" section of our 2022 Form 10-Kthis MD&A for definitions of Cigna Healthcare's market segments. further discussion.

Pharmacy revenues increased 5% in both periods,31%, primarily reflecting inflation on branded drugs as well as growth in specialty. the onboarding of Centene Corporation ("Centene") at the beginning of 2024. See the "Segment Reporting - Evernorth Health Services Segment" section of this MD&A for further discussion.

Premiums increased 15% and 9%, respectively,5% reflecting insured customer growth and higher premium rates in Cigna Healthcare due to anticipated underlying medical cost trend. costs and business mix. See the "Segment Reporting - Cigna Healthcare Segment" section of this MD&A for further discussion. For the nine months ended September 30, 2023, these favorable effects were partially offset by a decline in premiums due to the Chubb transaction.

Fees and other revenues increased 17% and 19%8%, respectively, primarily reflecting client growth from our continued affordability services within Evernorth Health Services.

Net investment incomeincreased 57% for the three months ended September 30, 20235%, primarily driven by higher yields, as well as improved returns on our partnership investments and, due to a lesser extent, growth in average invested assets. For the nine months ended September 30, 2023, the decrease of 7% was primarily due to the unfavorable impact of the Chubb transaction, partially offset by growth in average invested assets. Also contributing to the decrease was lower returns on partnership investments largely offset by increased yields on other investments. See the "Investment Assets" section of this MD&A for further discussion.

Pharmacy and other service costs increased 6% in both periods,32%, primarily reflecting inflation on branded drugs as well as growth in specialty. the onboarding of Centene at the beginning of 2024.

Medical costs and other benefit expenses increased 15% and 12%4%, respectively, primarily reflecting insured customer growth. For the nine months ended September 30, 2023, the increase also reflectsmedical cost trend in Cigna Healthcare partially offset by the impact of the Chubb transaction. Healthcare.

Selling, general and administrative expenses increased 20% and 11%5%, respectively, primarily driven by volume-related expenses in Cigna Healthcare dueplanned investments related to business growth, as well as increased investments to support the onboarding costs of new clients and continued advancement of our digital capabilities and care solutions in Evernorth Health Services. Increased expenses were also driven by charges associated with litigation settlements during the three months ended September 30, 2023. See Note 16 to the Consolidated Financial Statements for further discussion. For the nine months ended September 30, 2023, these increases were partially offset by the impact of the Chubb transaction.

Interest expense and other increased 20% in both periods,decreased 10%, primarily reflecting higher interest rates on our indebtedness and increasedlower pension costs.

Gain on sale of businesses primarily reflects the Chubb transaction, which closed on July 1, 2022. In 2023, we recorded immaterial adjustments to the sales price reflecting resolution of certain contractual matters.
Realized investment results were substantially improved in both periods,for the three months ended March 31, 2024 primarily due to lower mark-to-market losses on investments. reflects the impairment of equity securities. See Note 11 to the Consolidated Financial Statements for further discussion.

The effective tax rate increased substantially driven by 90 basis points fora valuation allowance related to the three months ended September 30, 2023 primarily reflecting the unfavorable effectsimpairment of the remeasurement of deferred tax liabilities and the Medicare Advantage litigation settlement in the third quarter of 2023. These effects wereequity securities, partially offset by favorable results relativea decrease related to the Company's foreign operations. For the nine months ended September 30, 2023, the effective tax rate decreased by 110 basis points, driven by favorable results relativebusinesses held for sale and a decrease related to the Company's foreign operations and the release of uncertain tax positions resulting fromreserves following a favorable state audit developments. These favorable effects were partially offset by the remeasurement of deferred tax liabilities in the third quarter of 2023. resolution.

Recent Events**Developments**

Economic ConditionsSale of Medicare Advantage and Related Businesses

We continueIn January 2024, the Company entered into a definitive agreement to monitor global economic conditions, including inflation, labor market dynamicssell the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses within the recent geopolitical events. We continueU.S. Healthcare operating segment to proactively address impactsHealth Care Service Corporation ("HCSC"), subject to our pricing with third parties (including vendors, health care providersapplicable regulatory approvals and drug providers), our investment portfolio and our workforce. We are also monitoring the potential impact on client and customer health care needs.

Our results of operations or cash flows for the three and nine months ended September 30, 2023 were not materially impacted by inflation, labor market dynamics, or the recent events affecting the financial services industry. For further information regarding risks we encounter in our business dueother customary closing conditions. The transaction is expected to economic conditions, see "Risk Factors" contained in Part I, Item 1A of our 2022 Form 10-K.

Conflictclose in the Middle East

The Cigna Group serves a limited numberfirst quarter of customers2025 and clientsprovide approximately $3.7 billion in the impacted regions in the Middle East. We have not experienced significant impacts to date on our investment portfolio, financial position or resultstransaction value, which consists primarily of operations. For a more complete discussion of the risks we encounter in our business, see "Risk Factors" contained in Part I, Item 1A of our 2022 Form 10-K.

Developments

CarepathRx Health System Solutions

In July 2023, Evernorth Health, Inc. acquired a minority interest in CarepathRx Health Systems Solutions ("CHSS"). CHSS provides integrated hospital pharmacy solutions to support patients across their complete health care journey. By pairing Evernorth Health Services' diverse specialty and care expertise with CHSS' robust pharmacy and infusion management capabilities, technology solutions and health system relationships, we can further improve, expand and accelerate pharmacy care delivery for the growing number of patients with chronic and complex care needs. cash. See Note 5 to the Consolidated Financial Statements for further discussion of this investment.

information.

Medicare Star Quality Ratings ("Star Ratings")

The Centers for Medicare and Medicaid Services ("CMS") uses a Star Rating system to measure how well Medicare Advantage ("MA") plans perform. Categories of measurement include quality of care and customer service. Star Ratings range from one to five stars. CMS recognizes plans with Star Ratings of four stars or greater with quality bonus payments and the ability to offer enhanced benefits. On October 13, 2023, CMS announced Medicare Star Ratings for bonus payments to be received in 2025. We estimate 67% to be in four star or greater plans for bonus payments to be received in 2024 and 2025 (based upon the current customer mix associated with the announced Star Ratings). See Part I, Item I, "Business - Regulation" section of our 2022 Form 10-K for further discussion of Star Ratings.

Medicare Advantage Rates

On March 31, 2023 April 1, 2024, CMS Centers for Medicare and Medicaid Services ("CMS") released the final Calendar Year 2024 2025 Medicare Advantage Program and Part D Payment Policies (the "2024 "2025 Final Notice"). The 2024 Final Notice rates were improved reflects no change from the January 31, 2024 advance notice rates (previously released on February 1, 2023). notice. We do not expect the final rates to have a material impact on our consolidated results of operations in 2024. 2025.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We maintain liquidity at two levels: the subsidiary level and the parent company level.

Cash requirements at the subsidiary level generally consist of:

- pharmacy, medical costs and other benefit payments;
- expense requirements, primarily for employee compensation and benefits, information technology and facilities costs;
- income taxes; and
- debt service.

Our subsidiaries normally meet their liquidity requirements by:

- maintaining appropriate levels of cash, cash equivalents and short-term investments;
- using cash flows from operating activities;
- matching investment durations to those estimated for the related insurance and contractholder liabilities;
- selling investments; and
- borrowing from affiliates, subject to applicable regulatory limits.

Cash requirements at the parent company level generally consist of:

- debt service;
- payment of declared dividends to shareholders;
- lending to subsidiaries as needed; and
- pension plan funding.

The parent company normally meets its liquidity requirements by:

- maintaining appropriate levels of cash and various types of marketable investments;
- collecting dividends from its subsidiaries;
- using proceeds from issuing debt and common stock; and
- borrowing from its subsidiaries, subject to applicable regulatory limits.

Dividends from our insurance, Health Maintenance Organization ("HMO") and certain foreign subsidiaries are subject to regulatory restrictions. See Note 21 22 to the Consolidated Financial Statements in our 2022 2023 Form 10-K for additional information regarding these restrictions. Most of the Evernorth Health Services segment operations are not subject to regulatory restrictions regarding dividends and therefore provide significant financial flexibility to The Cigna Group.

With respect to our investment portfolio, we support the liquidity needs of our businesses by managing the duration of assets to be consistent with the duration of liabilities. We manage the portfolio to both optimize returns in the current economic environment and meet our liquidity needs.

Cash flows for the nine three months ended September 30 March 31 were as follows:

Nine Months Ended September 30,
Three Months Ended March 31,

			Three Months Ended March 31,		
			Three Months Ended March 31,		
(In millions)					
(In millions)					
(In millions)	*(In millions)*		**2023**		**2022**
Operating activities	Operating activities	**$**	**10,346**	$	6,557
Operating activities					
Operating activities					
Investing activities					
Investing activities					
Investing activities	Investing activities	**$**	**(4,734)**	$	3,714
Financing activities	Financing activities	**$**	**(3,044)**	$	(8,604)
Financing activities					
Financing activities					

The following discussion explains variances in the various categories of cash flows for the nine three months ended September 30, 2023 March 31, 2024 compared with the same period in 2022. 2023.

Operating activities

Cash flows from operating activities consist principally of cash receipts and disbursements for pharmacy revenues and costs, premiums, fees, investment income, taxes, benefit costs and other expenses.

Operating cash flows increased decreased for the nine three months ended September 30, 2023 March 31, 2024 due to higher insurance liabilities, higher pharmacy and service costs payable, acceleration the absence of cash proceeds from the accounts receivable factoring facility an early CMS payment received in March 2023 and the higher CMS Part D annual settlement. timing of payments for accrued liabilities. This decrease is partially offset by the favorable net cash flow impacts of onboarding new clients.

Investing activities

The decrease in cash used in investing activities during the three months ended March 31, 2024 was due to lower investments in equity securities.

Financing activities

The Company invested $2.7 billion in VillageMD in 2023. This, combined with the absence of the net $4.9 billion proceeds received had higher share repurchases including from the Chubb transaction in 2022, ASR Agreements (described below), partially offset by net debt inflows. These factors resulted in an increase in cash used in investing activities.

Financing activities

The Company had lower share repurchases and lower net debt outflows. These factors resulted in a decrease in cash used in financing activities in 2023. 2024.

Capital Resources

Our capital resources consist primarily of cash, cash equivalents and investments maintained at regulated subsidiaries required to underwrite insurance risks, cash flows from operating activities, our commercial paper program, credit agreements and the issuance of long-term debt and equity securities. Our businesses generate significant cash flow flows from operations, some of which is subject to regulatory restrictions relative to the amount and timing of dividend payments to the parent company. Dividends received from U.S. regulated subsidiaries were $758 million $0.6 billion for the nine three months ended September 30, 2023 March 31, 2024 and $1.4 billion $0.3 billion for the nine three months ended September 30, 2022 March 31, 2023. This decrease was due in part to lower statutory earnings in 2022 and additional capital held at subsidiaries to support business growth which is in line with our capital planning. Non-regulated subsidiaries also generate significant cash flow flows from operating activities, which is typically available immediately to the parent company for general corporate purposes.

We prioritize our use of capital resources to:

- invest in capital expenditures, primarily related to technology to support innovative solutions for our clients and customers, provide the capital necessary to maintain or improve the financial strength ratings of subsidiaries and to repay debt and fund pension obligations if necessary;
- pay dividends to shareholders;
- consider acquisitions and investments that are strategically and economically advantageous; and
- return capital to shareholders through share repurchases.

Funds Available

Commercial Paper Program. The Cigna Group maintains a commercial paper program and may issue short-term, unsecured commercial paper notes privately placed on a discount basis through certain broker-dealers at any time not to exceed an aggregate

amount of $5.0 billion. The net proceeds of issuances have been and are expected to be used for general corporate purposes. The commercial paper program had approximately $884 million outstanding at March 31, 2024.

Revolving Credit Agreements. Our revolving credit agreements provide us with the ability to borrow amounts for general corporate purposes, including for the purpose of providing liquidity support if necessary under our commercial paper program discussed above.

As of September 30, 2023 March 31, 2024, The Cigna Group's revolving credit agreements include: a $4.0 billion five-year revolving credit and letter of credit agreement that expires in April 2028; and a $1.0 billion 364-day revolving credit agreement that expires in April 2024.

As of September 30, 2023 March 31, 2024, we had $5.0 billion of undrawn committed capacity under our revolving credit agreements (these amounts are available for general corporate purposes, including providing liquidity support for our commercial paper program), $3.5 billion $4.1 billion of remaining capacity under our commercial paper program and $8.7 billion $8.8 billion in cash and short-term investments, approximately $0.8 billion $1.4 billion of which was held by the parent company or certain non-regulated subsidiaries.

In April 2024, The Cigna Group replaced our existing revolving credit agreements, discussed above, and entered into the following revolving credit agreements: a $5.0 billion five-year revolving credit and letter of credit agreements that expire in April 2029; and a $1.5 billion 364-day revolving credit agreement that expires in April 2025. The increase in the aggregate size of our revolving credit agreements from $5.0 billion to $6.5 billion will provide enhanced liquidity to support the continued growth of our business.

See Note 7 to the Consolidated Financial Statements for further information on our credit agreements and commercial paper program.

Our debt-to-capitalization ratio was 40.5% 44.3% at September 30, 2023 March 31, 2024 and 41.9% 40.1% at June 30, 2023 due December 31, 2023 primarily reflecting timing of debt issuance, in part due to the July 2023 repayment of $2.9 billion of senior notes at maturity. Accelerated Share Repurchase ("ASR") agreements.

We actively monitor our debt obligations and engage in issuance or redemption activities as needed in accordance with our capital management strategy.

Subsidiary Borrowings. In addition to the sources of liquidity discussed above, the parent company can borrow an additional $1.4 billion $1.6 billion from its subsidiaries without further approvals as of September 30, 2023 March 31, 2024.

Use of Capital Resources

Long-term debt. Debt Issuance and Debt Tender Offers. In July 2023, February 2024, we repaid $2.9 billion issued $4.5 billion of new senior notes. The proceeds from this debt were used to complete the repurchase of a total of $1.8 billion in aggregate principal amount of existing senior notes at maturity. tendered to the Company pursuant to cash tender offers. We used the remaining net proceeds to fund the repayment of our senior notes which matured in March 2024 and for general corporate purposes, which may include repayment of indebtedness and repurchases of shares of our common stock.

Capital expenditures Expenditures. Capital expenditures for property, equipment and computer software were $1.2 billion $0.3 billion in the nine three months ended September 30, 2023 March 31, 2024 compared to $1.0 billion $0.4 billion in the nine three months ended September 30, 2022 March 31, 2023. This increase reflects our continued strategic investment in technology for future growth. Anticipated capital expenditures will be funded primarily from operating cash flow. flows.

Dividends. During the first nine months of 2023, The Cigna Group declared and paid quarterly cash dividends of $1.23 $1.40 per share of its common stock during the first quarter of 2024, compared to quarterly cash dividends of $1.12 $1.23 per share in during the first nine months quarter of 2022. 2023. See Note 8 to the Consolidated Financial Statements for further information on our dividend payments. On October 25, 2023 April 24, 2024, the Board of Directors declared the fourth second quarter cash dividend of $1.23 $1.40 per share of The Cigna Group common stock to be paid on December 21, 2023 June 20, 2024 to shareholders of record on December 6, 2023 June 4, 2024. The Cigna Group currently intends to pay regular quarterly dividends, with future declarations subject to approval by its Board of Directors and the Board's determination that the declaration of dividends remains in the best interests of the Company and its shareholders. The decision of whether to pay future dividends and the amount of any such dividends will be based on the Company's financial position, results of operations, cash flows, capital requirements, the requirements of applicable law and any other factors the Board may deem relevant.

Share repurchases Repurchases. We maintain a share repurchase program authorized by our Board of Directors, under which we may repurchase shares of our common stock from time to time. The timing and actual number of shares repurchased will depend on a variety of factors including price, general business and market conditions and alternate uses of capital. The share repurchase program may be effected through open market purchases in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including through Rule 10b5-1 trading plans or privately negotiated transactions. The program may be suspended or discontinued at any time.

We repurchased 6.1 10.1 million shares for approximately $1.8 billion $3.4 billion during the nine three months ended September 30, 2023 March 31, 2024, compared to 20.1 million 3.2 million shares for approximately $5.8 billion $1.0 billion during the nine three months ended September 30, 2022 March 31, 2023. From October 1, 2023 through November 1, 2023 During the three months ended March 31, 2024, we $640 million was also paid related to the ASR stock hold-back which will settle in the second quarter of 2024. See further discussion of ASR below. We expect to repurchase $5.0 billion of common stock in the first half of 2024, which includes shares repurchased 1.6 million shares for approximately $474 million. Share repurchase authority was $1.3 billion as of November 1, 2023. under the ASR.

Strategic investments. In 2023, February 2024, as part of our share repurchase program, we became a minority owner entered into separate ASR agreements ("ASR agreements") with Deutsche Bank AG and Bank of America, N.A. (collectively, the "Counterparties") to repurchase $3.2 billion of common stock in VillageMD by investing $2.7 billion aggregate. We remitted $3.2 billion to the Counterparties and received an initial delivery of approximately 7.6 million shares of our common stock on February 15, 2024, representing $2.6 billion of the total remitted. We expect final settlement under the ASR agreements to occur in VillageMD preferred equity. VillageMD provides health care services for individuals and communities across the United States, with primary, multi-specialty and urgent care providers serving patients in traditional clinic settings, in patients' homes and online appointments. second quarter of 2024. See Note 11 8 to the Consolidated Financial Statements for further discussion information on our ASR agreements.

Other Sources of this investment. Funds and Uses of Capital Resources

Divestiture. In July 2023, Evernorth Health, Inc. acquired January 2024, we entered into a minority interest definitive agreement to sell the Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses within the U.S. Healthcare operating segment to HCSC, subject to applicable regulatory approvals and other customary closing conditions. The transaction is expected to close in CarepathRx Health Systems Solutions. See Note 5 the first quarter of 2025 and provide approximately $3.7 billion in transaction value, which consists primarily of cash. Following the completion of the sale, we anticipate use of the proceeds in alignment with our capital deployment priorities, with the majority allocated to the Consolidated Financial Statements for further discussion of this investment. share repurchases.

Risks to Liquidity and Capital Resources

Risks to our liquidity and capital resources outlook include cash projections that may not be realized and the demand for funds could exceed available cash if our ongoing businesses experience unexpected shortfalls in earnings or we experience material adverse effects from one or more risks or uncertainties described more fully in the "Risk Factors" section of our 2022 2023 Form 10-K. Though we believe we have adequate sources of liquidity, significant disruption or volatility in the capital and credit markets could affect our ability to access those markets for additional borrowings or increase costs.

Guarantees and Contractual Obligations

We are contingently liable for various contractual obligations and financial and other guarantees entered into in the ordinary course of business. See Note 16 to the Consolidated Financial Statements for discussion of various guarantees.

The Company adopted amended accounting guidance for long-duration insurance contracts effective January 1, 2023, which impacted the amounts presented in our Consolidated Balance Sheets. Within our Consolidated Financial Statements, see Note 2 Due to the Consolidated Financial Statements for a summary issuance and repurchase of this accounting change and Note 9 to certain senior notes in the Consolidated Financial Statements for a summary of the insurance liabilities in our Consolidated Balance Sheets as well as future expected cash flow information. With the adoption of amended accounting guidance for long-duration insurance contracts and enhanced disclosure within Note 9 to the Consolidated Financial Statements, three months ended March 31, 2024, we will no longer present additional information regarding insurance liabilities within this section.

Our have updated long-term debt obligations as of March 31, 2024 compared to those previously provided in our 2022 2023 Form 10-K have been updated as of September 30, 2023 due to the issuance of $700 million in aggregate principal amount of our 5.685% senior notes due March 2026 and $800 million in aggregate principal amount of our 5.400% senior notes due March 2033. 10-K. See Note 7 to the Consolidated Financial Statements for a discussion of the these debt issuance. activities. There have been no material changes to other information presented in our guarantees and contractual obligations set forth in our 2023 Form 10-K.

On balance sheet:

- ***Long-term debt***
  - Total scheduled payments on long-term debt are $45.0 billion $50.3 billion through March 2051, February 2054, which include scheduled interest payments and maturities of long-term debt.
  - We expect $0.3 billion $1.8 billion of long-term debt payments (including scheduled interest payments) to be paid for the remainder of 2023. 2024.

In connection with our equity method investment in CarepathRx Health Systems Solutions ("CHSS"), we guaranteed $125 million of CHSS's credit facilities. See Note 5 to the Consolidated Financial Statements for further information regarding our equity method investment in CHSS.
There have been no other material changes to other information presented in guarantees and contractual obligations set forth in our 2022 Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Consolidated Financial Statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures in the Consolidated Financial Statements. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have a material effect on our consolidated results of operations or financial condition.

Management has discussed how critical accounting estimates are developed and selected with the Audit Committee of our Board of Directors and the Audit Committee has reviewed the disclosures presented in our 2022 2023 Form 10-K. We regularly evaluate items that may impact critical accounting estimates.

Our most critical accounting estimates, as well as the effect of hypothetical changes in material assumptions used to develop each estimate, are described in our 2022 2023 Form 10-K. As of September 30, 2023 March 31, 2024, there were no significant changes to the critical accounting estimates from what was reported in our 2022 2023 Form 10-K.

Goodwill and Other intangible assets
Our annual evaluations of goodwill and other intangible assets for impairments were completed during the third quarter of 2023. These evaluations were performed at the reporting unit level, based on discounted cash flow analyses or market data. The estimated fair value of each of our reporting units exceeded their carrying values by sufficient margins. For the U.S. Government reporting unit (which includes Individual and Family Plans, Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, and Medicare Supplement) the estimated fair value exceeded the carrying value by a sufficient margin despite a decrease from the prior year. The two most critical factors affecting the reporting unit's future cash flows assumptions are customer growth and profit margins. If we do not realize our targeted customer growth or profit margins, the cash flow projections could be impacted and significantly reduce the fair value of the reporting unit.

Management believes the current assumptions used to estimate amounts reflected in our Consolidated Financial Statements are appropriate. However, if actual experience significantly differs from the assumptions used in estimating amounts reflected in our

Consolidated Financial Statements, the resulting changes could have a material adverse effect on our consolidated results of operations and in certain situations, could have a material adverse effect on liquidity and our financial condition.

SEGMENT REPORTING

The following section of this MD&A discusses the results of each of our segments.

See Note 1 to the Consolidated Financial Statements for further description of our segments.

In segment discussions, we present "adjusted revenues" and "pre-tax adjusted income (loss) from operations," defined as income (loss) before income taxes excluding pre-tax income (loss) attributable to noncontrolling interests, net realized investment results, amortization of acquired intangible assets and special items. The Cigna Group'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. Ratios presented in this segment discussion exclude the same items as adjusted revenues and pre-tax adjusted income (loss) from operations. See Note 17 to the Consolidated Financial Statements for additional discussion of these metrics and a reconciliation of Income income (loss) before income taxes to pre-tax adjusted income (loss) from operations, as well as a reconciliation of Total revenues to adjusted revenues. Note 17 to the Consolidated Financial Statements also explains that segment revenues include both external revenues and sales between segments that are eliminated in Corporate.

In these segment discussions, we also present "pre-tax adjusted margin," defined as pre-tax adjusted income (loss) from operations divided by adjusted revenues.

Evernorth Health Services Segment

Evernorth Health Services includes a broad range of coordinated and point solution health services and capabilities, as well as those from partners across the health care system, in within our Pharmacy Benefits, Home Delivery Pharmacy, Benefit Services and Specialty Pharmacy, Distribution and Care Delivery and Management Solutions. Services operating segments. See Note 1 to our Consolidated Financial Statements for further discussion of these two operating segments. As described in the introduction to Segment Reporting, Evernorth Health Services' performance is measured using adjusted revenues and pre-tax adjusted income (loss) from operations.

The key factors that impact Evernorth Health Services' Pharmacy revenues, Fees Benefit Services and other Specialty and Care Services revenues and Pharmacy and other service costs income from operations are volume, mix of claims, price, contract affordability services, specialty distribution customer growth and price. client growth. These key factors are discussed further below. Certain of the key factors impact both operating segments as services are offered through an integrated client contract. See Note 2 to the Consolidated Financial Statements included in our 2022 2023 Form 10-K for additional information on revenue and cost recognition policies for this segment.

Pharmacy Benefit Services and Specialty and Care Services key factors:

- Pharmacy claim volume relates to processing prescription claims filled by retail pharmacies in our network and from dispensing prescription claims from our home delivery and specialty pharmacies and other claims. As our clients' prescriptions claim volumes increase or decrease, our resulting revenues and cost of revenues results correspondingly increase or decrease. Our gross profit, defined as Total revenues less Pharmacy and other service costs, could also increase or decrease as a result of changes in purchasing discounts.
- The mix of claims generally considers the type of drug and distribution method used for dispensing and fulfilling. Types of drugs can have an impact on our Pharmacy revenues, Pharmacy and other service costs and gross profit, including amounts payable under certain financial and performance guarantees with our clients. In addition to the types of drugs, the mix of generic claims (i.e., generic fill rate) also impacts our gross profit. results. Generally, a higher mix of generic fill rates reduce drugs reduces revenues, as generic drugs are typically priced lower than the branded drugs they replace. However, as ingredient cost paid to pharmacies on generic drugs is incrementally lower than the price charged to our clients, a higher mix of generic fill rates drugs generally have has a favorable impact on our gross profit. The home delivery generic fill rate is currently lower than the network generic fill rate as fewer generic substitutions are available among maintenance medications (such as therapies for chronic conditions) commonly dispensed income from home delivery pharmacies as compared to acute medications that are primarily dispensed by pharmacies in our retail networks. Furthermore, our gross profit differs among network, home delivery and specialty distribution methods and can impact our profitability. operations.
- Our client contract pricing is impacted by our ongoing ability to negotiate favorable contracts for pharmacy network, pharmaceutical and wholesaler purchasing and manufacturer rebates on our clients' behalf. Through these affordability services, we seek to improve the effectiveness of our integrated solutions for the benefit of our clients by continuously innovating, improving affordability and implementing drug purchasing contract initiatives. Our revenues, cost of revenues and gross profit could increase or decrease as a result of these affordability services. Pharmaceutical manufacturer inflation also impacts our pricing because most of our contracts provide that we bill clients and pay pharmacies based on a generally recognized price index for pharmaceuticals. Therefore, the rate of inflation for prescription drugs and our efforts to manage this inflation for our clients continues to be a significant driver of our revenues and cost of revenues in the current environment.
- Our client contract pricing is impacted by our ongoing ability to negotiate favorable contracts for pharmacy network, pharmaceutical and wholesaler purchasing and manufacturer rebates on our clients' behalf. Through these affordability services, we seek to improve the effectiveness of our integrated solutions for the benefit of our clients by continuously innovating, improving affordability and implementing drug purchasing contract initiatives.

Specialty and Care Services key factors:

- Customer growth and higher volume in our specialty distribution services where we deliver pharmaceuticals and medical supplies directly to health care providers, clinics and hospitals, primarily to physicians who regularly order costly specialty

  pharmaceuticals. This business provides competitive pricing on pharmaceuticals and medical supplies and leverages our distribution platform to improve our results.
- Client growth in our Care Delivery and Management Solutions, through our virtual care, in-home care, physical primary care, benefits management, and behavioral health services, as we expand our businesses and build upon our cross-enterprise leverage.

In this MD&A, we present revenues and gross profit, as well as adjusted revenues, and adjusted gross profit and pre-tax adjusted income from operations, consistent with our segment reporting metrics, which exclude special items.

Results of Operations

Financial Summary

(Dollars in millions)	Three Months Ended September 30, 2023	2022	Change Favorable (Unfavorable)	Nine Months Ended September 30, 2023	2022	Change Favorable (Unfavorable)
Total revenues	**$ 38,596**	$ 35,698	8 %	**$ 112,980**	$ 104,147	8 %
Adjusted revenues (1)	**$ 38,596**	$ 35,698	8 %	**$ 112,980**	$ 104,147	8 %
Pharmacy and other service costs	**$ 36,000**	$ 33,338	8 %	**$ 105,819**	$ 97,625	8 %
Gross profit (2)	**$ 2,596**	$ 2,360	10 %	**$ 7,161**	$ 6,522	10 %
Adjusted gross profit (1),(2)	**$ 2,596**	$ 2,360	10 %	**$ 7,161**	$ 6,522	10 %
Pre-tax adjusted income from operations	**$ 1,716**	$ 1,625	6 %	**$ 4,552**	$ 4,402	3 %
Pre-tax adjusted margin	**4.4 %**	4.6 %	(20) bps	**4.0 %**	4.2 %	(20) bps
Adjusted expense ratio (3)	**2.2 %**	2.0 %	(20) bps	**2.2 %**	2.0 %	(20) bps

Selected Financial Information

(Dollars and adjusted scripts in millions)	Three Months Ended September 30, 2023	2022	Change Favorable (Unfavorable)	Nine Months Ended September 30, 2023	2022	Change Favorable (Unfavorable)
Pharmacy revenue by distribution channel						
Adjusted network revenues(1)	**$ 16,926**	$ 16,583	2 %	**$ 49,080**	$ 48,221	2 %
Adjusted home delivery and specialty revenues(1)	**16,324**	15,583	5	**48,943**	45,550	7
Other pharmacy revenues	**2,390**	1,630	47	**6,506**	5,009	30
Total adjusted pharmacy revenues(1)	**$ 35,640**	$ 33,796	5 %	**$ 104,529**	$ 98,780	6 %
Adjusted fees and other revenues (1)	**2,893**	1,877	54	**8,276**	5,316	56
Net investment income	**63**	25	152	**175**	51	243
Adjusted revenues (1)	**$ 38,596**	$ 35,698	8 %	**$ 112,980**	$ 104,147	8 %
Pharmacy script volume (4)						
Adjusted network scripts	**331**	325	2 %	**978**	963	2 %
Adjusted home delivery and specialty scripts	**63**	71	(11)	**193**	210	(8)
Total adjusted scripts	**394**	396	(1) %	**1,171**	1,173	— %
Generic fill rate (5)						
Network	**86.8 %**	86.6 %	20 bps	**87.7 %**	87.1 %	60 bps
Home delivery	**85.9 %**	84.7 %	120 bps	**85.1 %**	85.3 %	(20) bps
Overall generic fill rate	**86.7 %**	86.4 %	30 bps	**87.5 %**	87.0 %	50 bps

Financial Summary

(Dollars in millions)	Three Months Ended March 31, 2024	2023	Change
Total revenues	**$ 46,226**	$ 36,179	28 %
Adjusted revenues (1)	**$ 46,226**	$ 36,179	28 %
Pharmacy and other service costs	**$ 43,838**	$ 33,973	29 %
Gross profit (2)	**$ 2,388**	$ 2,206	8 %
Adjusted gross profit (1),(2)	**$ 2,388**	$ 2,206	8 %
Pre-tax adjusted income from operations	**$ 1,360**	$ 1,320	3 %
Pre-tax adjusted margin	**2.9 %**	3.6 %	(70) bps
Adjusted expense ratio (3)	**2.1 %**	2.3 %	(20) bps

(1) *Total revenues and gross profit were equal to adjusted revenues and adjusted gross profit as there were no special items in the periods presented.*

(2) *Gross profit and adjusted gross profit are calculated as total revenues or adjusted revenues less pharmacy and other service costs.*

(3) *Adjusted expense ratio is calculated as selling, general and administrative expenses as a percentage of adjusted revenues.*

In this selected financial information, we present adjusted revenues and pre-tax income from operations by our two operating segments, Pharmacy Benefit Services and Specialty and Care Services.

Selected Financial Information

(Dollars and adjusted scripts in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
Total adjusted revenues			
Pharmacy Benefit Services	**$ 26,095**	$ 18,209	43 %
Specialty and Care Services	**20,072**	17,920	12
Net investment income	**59**	50	18
Total adjusted revenues	**$ 46,226**	$ 36,179	28 %
Pre-tax adjusted income from operations			
Pharmacy Benefit Services	**$ 513**	$ 512	— %
Specialty and Care Services	**788**	758	4
Net investment income	**59**	50	18
Total pre-tax adjusted income from operations	**$ 1,360**	$ 1,320	3 %
Pharmacy claim volume (1)	**513**	381	35 %

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

(5) Generic fill rate is defined as the total number of generic scripts divided by the total overall scripts filled. claim.

Three and Nine Months Ended September 30, 2023 March 31, 2024 versus Three and Nine Months Ended September 30, 2022 March 31, 2023

Adjusted network revenues increased 2% in both periods, 28%, reflecting higher claims volume, primarily due to our collaboration with Centene beginning January 1, 2024; inflation on branded drugs drugs; and higher claims volume from Specialty and Care Services, primarily our Curascript Specialty Distribution business. This increase was partially offset by a decrease in claims mix and an increase in the generic fill rate. mix.

Adjusted home delivery and specialty revenues Gross profit increased 5% 8%, reflecting continued affordability improvements and 7%, respectively, with the three months ended September 30, 2023 reflecting inflation on branded drugs growth in Specialty and higher specialty claims volume, partially offset by lower home delivery claims volume. The nine months ended September 30, 2023 reflecting higher specialty claims volume and inflation on branded drugs, partially offset by lower home delivery claims volume.

Other pharmacy revenues increased 47% and 30%, respectively, reflecting higher volume from our CuraScript Specialty Distribution business. Care Services businesses.

Adjusted fees and other revenues increased 54% and 56%, respectively, reflecting client growth of our Care Delivery and Management Solutions, including cross-enterprise leverage, and client growth from our continued affordability services.

Adjusted gross profit increased 10% in both periods, and ***pre-tax Pre-tax adjusted income from operations*** increased 6% and 3%, respectively, reflecting growth in Specialty Pharmacy and Care Services businesses and continued affordability improvements, improvements. This increase was partially offset by increased strategic planned investments related to support the onboarding costs of new clients, including Centene, and continued advancement of our digital capabilities and care solutions to support whole-person health outcomes, partially offset by operational expense discipline. solutions.

The ***adjusted expense ratio*** increased decreased 20 bps, in both periods, reflecting increased strategic higher revenues, partially offset by planned investments related to support the onboarding costs of new clients, including Centene, and continued advancement of our digital capabilities and care solutions to support whole-person health outcomes, partially offset by operational expense discipline. solutions.

Cigna Healthcare Segment

Cigna Healthcare includes the U.S. Commercial, U.S. Government Healthcare and International Health businesses, which provide comprehensive medical and coordinated solutions to clients and customers. As described in the introduction to Segment Reporting, performance of the Cigna Healthcare segment is measured using adjusted revenues and pre-tax adjusted income from operations. Key factors affecting results for this segment include:

- customer growth;
- revenue growth;
- percentage of Medicare Advantage customers in plans eligible for quality bonus payments;
- medical costs as a percentage of premiums (medical care ratio or "MCR") for our insured businesses; and
- selling, general and administrative expenses as a percentage of adjusted revenues (adjusted expense ratio).

Effective January 1, 2023, In January 2024, we adopted amended accounting guidance for long-duration insurance contracts. For entered into a definitive agreement to sell the Cigna Medicare Advantage, Medicare Stand-Alone Prescription Drug Plans, Medicare and Other Supplemental Benefits and CareAllies businesses within the U.S. Healthcare operating segment prior period results of operations have been retrospectively adjusted to conform Health Care Service Corporation, subject to this new basis of accounting. For the three applicable regulatory approvals and nine months ended September 30, 2023, the impact of this amended guidance is immaterial. other customary closing conditions. See Note 2 5 to the Consolidated Financial Statements for additional further information.

Results of Operations

Financial Summary	**Financial Summary**												
		Three Months Ended September 30,				**Change Favorable (Unfavorable)**		**Nine Months Ended September 30,**				**Change Favorable (Unfavorable)**	
Financial Summary													
Financial Summary													
		Three Months Ended March 31,											
		Three Months Ended March 31,											
		Three Months Ended March 31,											
(Dollars in millions)													
(Dollars in millions)													
(Dollars in millions)	*(Dollars in millions)*	**2023**		2022		**Change Favorable (Unfavorable)**		**2023**		2022		**Change Favorable (Unfavorable)**	
Adjusted revenues	Adjusted revenues	**$ 12,768**		$ 11,177		14	%	**$ 38,200**		$ 33,905		13	%
Adjusted revenues													
Adjusted revenues													
Pre-tax adjusted income from operations													
Pre-tax adjusted income from operations													
Pre-tax adjusted income from operations	Pre-tax adjusted income from operations	**$ 1,222**		$ 1,050		16	%	**$ 3,509**		$ 3,582		(2)	%
Pre-tax adjusted margin	Pre-tax adjusted margin	**9.6**	**%**	9.4	%	20	bps	**9.2**	**%**	10.6	%	(140)	bps
Pre-tax adjusted margin													
Pre-tax adjusted margin													
Medical care ratio													
Medical care ratio													
Medical care ratio	Medical care ratio	**80.5**	**%**	80.8	%	30	bps	**81.0**	**%**	81.0	%	—	bps
Adjusted expense ratio	Adjusted expense ratio	**21.6**	**%**	21.9	%	30	bps	**21.3**	**%**	21.0	%	(30)	bps
Adjusted expense ratio													
Adjusted expense ratio													

Three and Nine Months Ended September 30, 2023 March 31, 2024 versus Three and Nine Months Ended September 30, 2022 March 31, 2023

Adjusted revenues increased 14% and 13% 4%, respectively, primarily reflecting customer growth and higher premium rates due to anticipated expected increases in underlying medical cost trend. costs and business mix.

Pre-tax adjusted income from operations increased 16% for the three months ended September 30, 2023 20%, driven by U.S. Commercial growth, including increased specialty contributions, partially offset by U.S. Government. Pre-tax primarily due to a lower medical care ratio and a lower adjusted income from operationsdecreased 2% for the nine months ended September 30, 2023, driven by U.S. Government, including less favorable prior year development, mostly offset by U.S. Commercial growth, including increased specialty contributions. expense ratio.

The ***medical care ratio*** decreased 30 140 bps, for the three months ended September 30, 2023, primarily due to a lower U.S. Commercial Healthcare medical care ratio, reflecting effective pricing execution and affordability initiatives, partially offset by a higher U.S. Government medical care ratio, including a shift in as well as business mix. The medical care ratio was flat for mix within the nine months ended September 30, 2023, primarily due to a lower U.S. Commercial medical care ratio reflecting effective pricing execution Individual and affordability initiatives, offset by a higher U.S. Government medical care ratio, including less favorable prior year development. Family Plans business.

The*adjusted expense ratio* decreased 30 90 bps, for the three months ended September 30, 2023, primarily due to revenue growth outpacing volume-related expenses as well as higher technology spend. The ***adjusted*** ***efficiencies from disciplined*** ***expense*** ***ratio*** increased 30 bps for the nine months ended September 30, 2023, primarily due to volume-related expenses and higher technology spend outpacing revenue growth. management.

Medical Customers

A medical customer is defined as a person meeting any one of the following criteria:

- is covered under a medical insurance policy, managed care arrangement or service administrative services agreement issued by us;
- has access to our provider network for covered services under their medical plan; or
- has medical claims that are administered by us.

Cigna Healthcare Medical Customers	Cigna Healthcare Medical Customers				
		As of September 30,			
Cigna Healthcare Medical Customers					
Cigna Healthcare Medical Customers					
		As of March 31,			
		As of March 31,			
		As of March 31,			
(In thousands)					
(In thousands)					
(In thousands)	*(In thousands)*	**2023**	**2022**	**% Change**	
U.S. Healthcare					
U.S. Healthcare					
U.S. Healthcare					
International Health (1)					
International Health (1)					
International Health (1)					
Insured	**Insured**	**5,387**	4,760	13	%
U.S. Commercial		**2,224**	2,205	1	
U.S. Government		**1,965**	1,376	43	
Insured					
Insured					
U.S. Healthcare					
U.S. Healthcare					
U.S. Healthcare					
International Health (1)	International Health (1)	**1,198**	1,179	2	
Services only		**14,220**	13,194	8	
U.S. Commercial		**13,785**	12,556	10	
U.S. Government		**5**	5	—	
International Health (1)	International Health (1)	**430**	633	(32)	
International Health (1)					
Administrative services only					
Administrative services only					
Administrative services only					
Total	**Total**	**19,607**	17,954	9	%
Total					
Total					

(1) *International Health excludes medical customers served by less than 100% owned subsidiaries, as well as certain customers served by our third-party administrator. International Health customers as of September 30, 2023 reflect the transition of certain run-off business to Other Operations beginning January 1, 2023.*

Total medical customers increased 9% decreased 1%, primarily driven by growth a decrease in fee-based customers as well as in National Accounts, Individual and Medicare Advantage customers. Family Plans and Middle Market segment customers, partially offset by customer growth within the Select market segment.

See Part I, Item 1 of our 2022 2023 Form 10-K for definitions of Cigna Healthcare's market segments. During the fourth quarter of 2023, the U.S. Commercial and U.S. Government operating segments merged to form the U.S. Healthcare operating segment. Medical Customer information presented as of March 31, 2023 has been restated to conform to the new operating segment presentation.

Unpaid Claims and Claim Expenses

(In millions)	*As of September 30, 2023*	*As of December 31, 2022*	*% Change*
Unpaid claims and claim expenses – Cigna Healthcare	*$ 5,317*	*$ 4,176*	*27 %*

(In millions)	As of March 31, 2024	As of December 31, 2023	Change
Unpaid claims and claim expenses – Cigna Healthcare	**$ 5,863**	$ 5,092	15 %

Our unpaid claims and claim expenses liability increased 27% 15%, driven by customer growth in our Individual business claim submission and payment process disruptions related to a third-party cyber incident and stop loss seasonality. seasonality, partially offset by a decrease in Individual and Family Plans customers.

Other Operations

Other Operations includes corporate owned life insurance ("COLI") and , the Company's run-off operations. operations and other non-strategic businesses. See Note 1 to the Consolidated Financial Statements for additional information regarding these operations. In the prior periods, Other Operations also included the International businesses sold in July 2022 and our interest in a joint venture in Türkiye sold in December 2022. As described in the introduction of Segment Reporting, performance of Other Operations is measured using adjusted revenues and pre-tax adjusted income from operations.

Effective January 1, 2023, we adopted amended accounting guidance for long-duration insurance contracts. For the Other Operations segment, prior period results of operations have been retrospectively adjusted to conform to this new basis of accounting. For the three and nine months ended September 30, 2023, the impact of this amended guidance is immaterial. Prior period results related to long-duration contracts sold in the Chubb transaction and our divested interest in a joint venture in Türkiye were not adjusted (as permitted by ASU 2022-05). See Note 9 to the Consolidated Financial Statements for additional disclosure of our long-duration insurance contracts and Note 2 to the Consolidated Financial Statements for additional information regarding the adoption of this amended guidance.

Results of Operations

Financial Summary

Financial Summary

Financial Summary

(Dollars in millions)

(Dollars in millions)

(Dollars in millions)

Financial Summary *(Dollars in millions)*		**Three Months Ended September 30, 2023**	**2022**	**Change Favorable (Unfavorable)**	**Nine Months Ended September 30, 2023**	**2022**	**Change Favorable (Unfavorable)**
Adjusted revenues	Adjusted revenues	**$ 147**	$ 153	(4) %	**$ 462**	$ 2,080	(78) %
Pre-tax adjusted income from operations	Pre-tax adjusted income from operations	**$ 26**	$ 21	24 %	**$ 70**	$ 478	(85) %
Pre-tax adjusted margin	Pre-tax adjusted margin	**17.7 %**	13.7 %	400 bps	**15.2 %**	23.0 %	(780) bps

Adjusted revenues

Adjusted revenues

Pre-tax adjusted income from operations

Pre-tax adjusted income from operations

Pre-tax adjusted margin

Pre-tax adjusted margin

Three and Nine Months Ended September 30, 2023 versus Three and Nine Months Ended September 30, 2022

Adjusted revenues for the three and nine months ended September 30, 2023 declined reflecting the absence of revenues from the business divested in 2022.

Pre-tax adjusted income from operations **reflects favorable interest margins and lower benefit expenses for the three months ended September 30, 2023. For the nine months ended September 30, 2023, pre-tax adjusted income from operations decreased primarily due to the absence of earnings from the businesses divested in the Chubb transaction.** **Corporate**

Corporate

Corporate reflects amounts not allocated to operating segments, including net interest expense (defined as interest on corporate financing less net investment income on investments not supporting segment and other operations), certain litigation matters, expense associated with our frozen pension plans, charitable contributions, operating severance, certain overhead and enterprise-wide project costs and eliminations for products and services sold between segments.

Financial Summary	**Three Months Ended September 30,**		**Change Favorable**	**Nine Months Ended September 30,**		**Change Favorable**
(In millions)	**2023**	**2022**	**(Unfavorable)**	**2023**	**2022**	**(Unfavorable)**
Pre-tax adjusted loss from operations	**$ (435)**	$ (316)	(38) %	**$ (1,272)**	$ (1,060)	(20) %

Financial Summary	**Three Months Ended March 31,**		
(In millions)	**2024**	**2023**	**Change**
Pre-tax adjusted loss from operations	**$ (409)**	$ (414)	(1) %

Three and Nine Months Ended September 30, 2023 March 31, 2024 versus Three and Nine Months Ended September 30, 2022 March 31, 2023

Pre-tax adjusted loss from operations increased 38% and 20% respectively, decreased primarily due to higher interest rates on our indebtedness and increased lower pension costs due to lower expected asset returns and a higher discount rate. While our pension expense has increased year-over-year, we continue to expect the required contributions for 2023 to be immaterial. costs.

INVESTMENT ASSETS

The following table presents our investment asset portfolio excluding separate account assets. Additional information regarding our investment assets is included in Notes 11, 12, 13 and 14 to the Consolidated Financial Statements.

(In millions)	*(In millions)*	**September 30, 2023**	**December 31, 2022**	*(In millions)*	**March 31, 2024**		**December 31, 2023**
Debt securities	Debt securities	**$ 9,539**	$ 9,872				
Equity securities	Equity securities	**3,376**	622				
Commercial mortgage loans	Commercial mortgage loans	**1,617**	1,614				
Policy loans	Policy loans	**1,224**	1,218				
Other long-term investments	Other long-term investments	**4,076**	3,728				
Short-term investments	Short-term investments	**188**	139				
Total	Total	**$ 20,020**	$ 17,193				
Investments classified as assets of businesses held for sale (1)							

Investments per Consolidated Balance Sheets

(1) *Investments related to the HCSC transaction that were held for sale as of March 31, 2024 and December 31, 2023. These investments were primarily comprised of debt securities and commercial mortgage loans, and to a lesser extent, other long-term investments.*

Investment Outlook

We Although portfolio impact has been limited to date, we continue to actively monitor geopolitical events and economic conditions and their potential impact on the investment portfolio, including the impact expectations for a longer period of higher inflation higher and interest rates, and the potential for a recession, on the investment portfolio. Although there has been very limited impact to date on our investment portfolio as a result of the recent geopolitical events, including the and ongoing conflict in Europe and the Middle East, we are monitoring the ongoing developments of this situation. We also continue to monitor the banking system stress that emerged in early 2023 and any potential impacts on our investments. To date, this systemic stress has been most prominent in regional banks, where our investment portfolio has no material exposure. East. Future realized and unrealized investment results will be driven largely by market conditions and these future conditions are not reasonably predictable. We believe that the vast majority of our investments will continue to perform under their contractual terms. We manage the portfolio for long-term economics and therefore we expect to hold a significant portion of these assets for the long term. The

following discussion addresses the strategies and risks associated with our various classes of investment assets. Although future declines in investment fair values remain possible due to interest rate movements and credit deterioration due to both investment-specific uncertainties and global economic uncertainties as discussed below, we do not expect these losses to have a material adverse unfavorable effect on our financial condition or liquidity.

Debt Securities

Investments in debt securities include publicly traded and privately placed bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor. These investments are classified as available for sale and are carried at fair value in our Consolidated Balance Sheets. Additional information regarding valuation methodologies, key inputs and controls is included in Note 12 to the Consolidated Financial Statements.

The following table reflects our portfolio of debt securities by type of issuer:

(In millions)	*(In millions)*	**September 30, 2023**	**December 31, 2022**	*(In millions)*	**March 31, 2024**	**December 31, 2023**
Federal government and agency	Federal government and agency	**$ 283**	$ 312			
State and local government	State and local government	**38**	41			
Foreign government	Foreign government	**356**	365			
Corporate	Corporate	**8,516**	8,806			
Mortgage and other asset-backed	Mortgage and other asset-backed	**346**	348			
Total	Total	**$ 9,539**	$ 9,872			

Our The carrying value of our debt securities portfolio decreased during the nine three months ended September 30, 2023 March 31, 2024, primarily reflecting net sales activity and a valuation decrease due to net sales activity rising market interest rates. Our portfolio remains in a net unrealized depreciation position due to generally increasing interest rates over the last several quarters. More detailed information about debt securities by type of issuer, maturity dates and net unrealized position is included in Note 11 to the Consolidated Financial Statements.

As of September 30, 2023 March 31, 2024, $7.8 $8.1 billion, or 82% 85%, of the debt securities in our investment portfolio were investment grade (Baa and above, or equivalent) and the remaining $1.7 $1.4 billion were below investment grade. The majority of the bonds that are below investment grade were rated at the higher end of the non-investment grade spectrum. These quality characteristics have not materially changed since the prior year and remain consistent with our investment strategy.

Debt securities include private placement assets of $3.8 $3.9 billion. These investments are generally less marketable than publicly traded bonds; however, yields on these investments tend to be higher than yields on publicly traded bonds with comparable credit risk. We perform a credit analysis of each issuer and require financial and other covenants that allow us to monitor issuers for deteriorating financial strength and pursue remedial actions, if warranted.

Investments in debt securities are diversified by issuer, geography and industry. On an aggregate basis, the debt securities portfolio continues to perform according to original expectations, which includes a long-term economic investment strategy. Elevated global inflation, higher interest rates, continuing supply chain disruptions and potential fallout from the stress in the banking system are the primary Primary risks that facing many of the issuers in our portfolio are facing. include on-going geopolitical events and economic conditions, including expectations for a longer period of higher inflation and interest rates. To date, most issuers have been successful in managing the cost escalation and product shortages these issues without undue margin pressure. a meaningful change in credit quality. We continue to monitor the economic environment and its effect on our portfolio and consider the impact of various factors in determining the allowance for credit losses on debt securities, which is discussed in Note 11 to the Consolidated Financial Statements.

Commercial Mortgage Loans

As of September 30, 2023 March 31, 2024, our $1.6 billion commercial mortgage loan portfolio consisted of approximately 50 fixed-rate loans, diversified by property type, location and borrower. These loans are carried in our Consolidated Balance Sheets at their unpaid principal balance, net of an allowance for expected credit losses. As a result of increasing market interest rates since the majority of these loans were made, the carrying value exceeds the market value of these loans as of September 30, 2023 March 31, 2024. See Note 12 to the Consolidated Financial Statements for further details. Given the quality and diversity of the underlying real estate, positive debt service coverage and significant borrower cash invested in the property generally ranging between 30 and 40%, we remain confident that the vast majority of borrowers will continue to perform as expected under their contract terms. For further discussion of the results and changes in key loan metrics, see Note 11 to the Consolidated Financial Statements.

Loans are secured by high quality commercial properties, located in strong institutional markets and are generally made at less than 65% approximately 60% of the property's value at origination of the loan. Property value, debt service coverage, quality, building tenancy and stability of cash flows are all important financial underwriting considerations. We hold no direct residential mortgage loans and do not originate or service securitized mortgage loans.

We assess the credit quality of our commercial mortgage loan portfolio annually, generally in the second quarter by reviewing each holding's most recent financial statements, rent rolls, budgets and relevant market reports. The review performed in the second quarter of 2023 confirmed ongoing strong overall credit quality in line with the previous year's results. See Note 11 to the Consolidated Financial Statements for further information regarding our key credit quality indicators for commercial mortgage loans.

Office sector fundamentals have been and continue to be weak and values are experiencing stress due to multiple headwinds: expanded work from home flexibility, shorter term leases, elevated tenant improvement allowances and corporate migration to lower cost states. Additionally, the current macroeconomic headwinds are impacting capital markets and reducing investor appetite for capital intensive assets (e.g., offices and regional shopping malls). Our commercial mortgage loan portfolio has no exposure to regional shopping malls and less than 30% exposure to office properties. Although future losses remain possible due to further credit deterioration, we do not expect these losses to have a material unfavorable effect on our financial condition or liquidity.

Other Long-term Investments

Other long-term investments of $4.1 billion $4.3 billion as of September 30, 2023 March 31, 2024 included investments in securities limited partnerships and real estate limited partnerships, direct investments in real estate joint ventures and other deposit activity that is required to support various insurance and health services businesses. Accounting policies for these investments are discussed in Note 11 to the Consolidated Financial Statements. The increase in other long-term investments of $0.3 billion since December 31, 2022 is primarily driven by net additional funding activity. These limited partnership entities typically invest in mezzanine debt or equity of privately-held companies and equity real estate. Given our subordinate position in the capital structure of these underlying entities, we assume a higher level of risk for higher expected returns. To mitigate risk, these investments are diversified across approximately 200 separate partnerships and 90 100 general partners who manage one or more of these partnerships. Also, the underlying investments are diversified by industry sector or property type and geographic region. No single partnership investment exceeded 4% of our securities and real estate limited partnership portfolio.

Income from our limited partnership investments is generally reported on a one quarter lag due to the timing of when financial information is received from the general partner or manager of the investments. Accordingly, our net investment income in the third quarter largely reflects the underlying financial information from the first two quarters of 2023. We expect continued volatility in private equity and real estate fund performance going forward as fair market valuations are adjusted to reflect market and portfolio transactions. Less than 4% of our other long-term investments are exposed to real estate in the office sector.

We participate in an insurance joint venture in China with a 50% ownership interest. We account for this joint venture under the equity method of accounting accounting. Following the adoption of Targeted Improvements to the Accounting for Long-Duration Contracts in 2023, changes in discount rates have resulted in accumulated other comprehensive losses and report a corresponding decline in the investment reported in our share of the net assets of $0.2 billion in Other assets. Consolidated Balance Sheets. Our 50% share of the investment portfolio supporting the joint venture's liabilities is approximately $11.0 billion $12.7 billion as of September 30, 2023 March 31, 2024. These investments were comprised of approximately 75% debt securities, including government and corporate debt diversified by issuer, industry and geography; 15% equities, including mutual funds, equity securities and private equity partnerships; and 10% long-term deposits and policy loans. We continuously review the joint venture's investment strategy and its execution. There were no investments with a material unrealized loss as of September 30, 2023 March 31, 2024.

MARKET RISK

Financial Instruments

Our assets and liabilities include financial instruments subject to the risk of potential losses from adverse changes in market rates and prices. Our primary market risk exposure is exposures are interest rate risk and equity price risk. We encourage you to read this in conjunction with "Market Risk – Financial Instruments" included in the MD&A section of our 2022 2023 Form 10-K.

As of September 30, 2023 March 31, 2024, there were no material changes was an increase in our interest rate risk exposures as reported due to an increase in the fair value of our long-term debt since December 31, 2023. In the event of a 100 basis point increase in interest rates, the fair value of the Company's long-term debt would decrease approximately $2.0 billion at March 31, 2024 compared to approximately $1.8 billion at December 31, 2023.

As of March 31, 2024, there was a decline in our 2022 Form 10-K; however, following increased investments in equity securities in 2023, we have increased price risk regarding market prices for exposure due to the impairment of equity securities. If the market price for all equity securities declined by 10%, Cigna the fair value of the Company's equity securities would record a realized loss of decrease by approximately $340 million $0.2 billion as of September 30, 2023 March 31, 2024, compared to an insignificant exposure as of December 31, 2022 approximately $0.3 billion at December 31, 2023. See Note 11 to the Consolidated Financial Statements for more information about our investments regarding the impairment in equity securities.

Item 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

Information responsive to this item is contained under the caption "Market Risk" in Item 2 above, Management's Discussion and Analysis of Financial Condition and Results of Operations and is incorporated herein by reference.

Item 4. ***CONTROLS AND PROCEDURES***

Based on an evaluation of the effectiveness of The Cigna Group's disclosure controls and procedures conducted under the supervision and with the participation of The Cigna Group's management (including The Cigna Group's Chief Executive Officer and Chief Financial Officer), The Cigna Group's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, The Cigna Group's disclosure controls and procedures are effective to ensure that information required to be disclosed by The Cigna Group in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to The Cigna Group's management including (including The Cigna Group's Chief Executive Officer and Chief Financial Officer, Officer) as appropriate to allow timely decisions regarding required disclosure.

Change in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, The Cigna Group's internal control over financial reporting.

Part II. ***OTHER INFORMATION***

Item 1. ***LEGAL PROCEEDINGS***

The information contained under "Legal and Regulatory Matters" in Note 16 to the Consolidated Financial Statements is incorporated herein by reference.

Item 1A. ***RISK FACTORS***

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 2. ***UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES***

Issuer Purchases of Equity Securities

The following table provides information about The Cigna Group's share repurchase activity for the quarter ended September 30, 2023 March 31, 2024:

Period	Total # of shares purchased (1)	Average price paid per share (1)	Total # of shares purchased as part of publicly announced program (2)	Approximate dollar value of shares that may yet be purchased as part of publicly announced program (3) (in millions)
July 1-31, 2023	12,012	$ 282.98	—	$ 2,474
August 1-31, 2023	942,948	$ 283.09	941,074	$ 2,210
September 1-30, 2023	1,442,028	$ 288.00	1,436,968	$ 1,800
Total	2,396,988	$ 286.04	2,378,042	N/A

Period	Total # of shares purchased (1)	Average price paid per share (1)	Total # of shares purchased as part of publicly announced program (2)	Approximate dollar value of shares that may yet be purchased as part of publicly announced program (3) (in millions)
January 1-31, 2024	253,716	$ 303.91	253,748	$ 11,229
February 1-29, 2024	9,832,165	*(1)*	9,828,122	$ 7,284
March 1-31, 2024	336,493	$ 336.19	—	$ 7,284
Total	10,422,374	*(1)*	10,081,870	N/A

(1) Includes shares tendered by employees under the Company's equity compensation plans as follows: 1) payment of taxes on vesting of restricted stock (grants and units) and strategic performance shares and 2) payment of the exercise price and taxes for certain stock options exercised. Employees tendered 12,012 (32) shares in July, 1,874 January, 4,043 shares in August February and 5,060 336,493 shares in September 2023. March 2024. Amount purchased in February 2024 also reflects the initial delivery of 7.6 million shares pursuant to the ASR agreements discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Part 1, Item 2. Such repurchase was made pursuant to the Company's share repurchase program described in note (2) below. Average price paid per share for the period February 1-29, 2024 for shares not purchased pursuant to the accelerated share repurchase agreements ("ASR agreements") was $331.54.

(2) Additionally, the Company maintains a share repurchase program authorized by the Board. Under this program, the Company may repurchase shares from time to time, depending on market conditions and alternate uses of capital. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions and alternate uses of capital. The share repurchase program may be effected through Rule 10b5-1 plans, open market purchases, each in compliance with Rule 10b-18 under the Exchange Act, or privately negotiated transactions. The program may be suspended or discontinued at any time and does not have an expiration date. From October 1, 2023 through November 1, 2023, In February 2024, as part of our share repurchase program, we repurchased 1.6 million entered into ASR agreements to repurchase $3.2 billion of common stock in aggregate. In February 2024, we received an initial delivery of approximately 7.6 million shares for approximately $474 million. Share of our common stock representing $2.6 billion of the total

*$3.2 billion remitted. Remaining share repurchase authority was $1.3 billion $7.3 billion as of November 1, 2023*May 1, 2024. See Note 8 to the Consolidated Financial Statements for further information on our ASR agreements.

(3) *Approximate dollar value of shares is as of the last date of the applicable month and excludes the impact of excise tax.*

Item 5. ***OTHER INFORMATION***

Rule 10b5-1 Plan Elections

During the quarter ended September 30, 2023 March 31, 2024, the following 10b5-1 director and officer trading plan arrangement change changes occurred:

1. On August 16, 2023 February 9, 2024, Michael Triplett, Noelle Eder, Executive Vice President, U.S. Commercial, Global Chief Information Officer of The Cigna Group, adopted a 10b5-1 plan. Mr. Triplett's Ms. Eder's plan provides for the sale of up to 5,379 8,179 shares of The Cigna Group common stock and the exercise of vested stock options and the associated sale of up to 6,408 shares of The Cigna Group common stock through March 15, 2024 February 28, 2025.

This2. On February 15, 2024, Brian Evanko, Executive Vice President, Chief Financial Officer of The Cigna Group and President and Chief Executive Officer, Cigna Healthcare, adopted a 10b5-1 plan. Mr. Evanko's plan provides for the exercise of vested stock options and the associated sale of up to 17,924 shares of The Cigna Group common stock through February 10, 2025.

3. On February 16, 2024, Eric Palmer, Executive Vice President, Enterprise Strategy of The Cigna Group and President and Chief Executive Officer, Evernorth Health Services, adopted a 10b5-1 plan. Mr. Palmer's plan provides for the sale of up to 4,993 shares of The Cigna Group common stock and the exercise of vested stock options and the associated sale of up to 17,530 shares of The Cigna Group common stock through February 10, 2025.

4. On March 13, 2024, Elder Granger, Director, adopted a 10b5-1 plan. Mr. Granger's plan provides for the exercise of vested stock options and the associated sale of up to 1,547 shares of The Cigna Group common stock through September 16, 2024.

These trading plan was plans were entered into during an open insider trading window and is are intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934 and the Company's policies regarding insider transactions.

Item 6. ***EXHIBITS***

INDEX TO EXHIBITS

Number	Description	Method of Filing
3.1	Restated Certificate of Incorporation of The Cigna Group	Filed by the registrant as Exhibit 3.1 to the Quarterly Report on Form 10-Q for the period ended June 30, 2023 and incorporated herein by reference.
3.2	Amended and Restated By-laws of The Cigna Group	Filed by the registrant as Exhibit 3.3 to the Current Report on Form 8-K on February 13, 2023 and incorporated herein by reference.
4.1	Supplemental Indenture No. 7, dated as of February 13, 2024,between The Cigna Group and U.S. Bank Trust Company, National Association, as trustee	Filed by the registrant as Exhibit 4.1 to the Current Report on Form 8-K on February 13, 2024 and incorporated herein by reference.
10.1	Offer letter Letter for Noelle K. Eder Eric P. Palmer dated September 14, 2023 January 16, 2024	Filed herewith. by the registrant as Exhibit 10.23 to the Annual Report on Form 10-K for the period ended December 31, 2023 and incorporated herein by reference.
10.2	Offer letter for Nicole S. Jones Brian Evanko dated September 14, 2023 January 16, 2024	Filed herewith. by the registrant as Exhibit 10.26 to the Annual Report on Form 10-K for the period ended December 31, 2023 and incorporated herein by reference.
31.1	Certification of Chief Executive Officer of The Cigna Group pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
31.2	Certification of Chief Financial Officer of The Cigna Group pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
32.1	Certification of Chief Executive Officer of The Cigna Group pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350	Furnished herewith.
32.2	Certification of Chief Financial Officer of The Cigna Group pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350	Furnished herewith.
101	The following materials from The Cigna Group's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Total Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to the Consolidated Financial Statements	Filed herewith.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 2, 2023 May 2, 2024

THE CIGNA GROUP

/s/ Brian C. Evanko

Brian C. Evanko

Executive Vice President, and

Chief Financial Officer, The Cigna Group, and President and Chief Executive Officer, Cigna Healthcare

(Principal Financial Officer and Authorized Signatory)

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David M. Cordani Chairman and CEO September 14, 2023 Noelle Eder Dear Noelle: I am pleased to confirm that the People Resources Committee (PRC) has approved the following changes to your compensation package effective September 14, 2023 in connection with the assumption of your expanded role as EVP Technology & Operations: Base Salary – will increase to a pre-tax annualized rate of $850,000. Annual Incentive – Your annual incentive target will increase to $900,000 for the 2023 performance year (payable in 2024). As you are aware, the annual incentive is typically paid in the first quarter of the year following the performance period and is not considered earned until the date paid. Long-Term Incentive – Your annual long-term incentive target will increase to $3,250,000 for the upcoming 2024 annual grant. NEW TOTAL ANNUAL COMPENSATION OPPORTUNITY: $5,000,000 Your employment will remain as an at-will employee, meaning that you or the Company has the right to terminate your employment relationship at any time for any reason or no reason. The changes above have no impact on previously awarded bonuses, stock options, restricted stock or SPS grants. As an executive of the company, your compensation will be subject to any future program changes. Noelle, congratulations on your expanded role. I look forward to continuing to partner with you. Sincerely, David M. Cordani cc: K. Gorodetzer K. Stevens 900 Cottage Grove Road Wilde Bldg Bloomfield, CT 06152 Telephone 860.226.7482

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David M. Cordani Chairman and CEO September 14, 2023 Nicole Jones Dear Nicole: I am pleased to confirm that the People Resources Committee (PRC) has approved the following changes to your compensation package effective September 14, 2023 in connection with the assumption of your expanded role as EVP, Chief Administrative Officer & General Counsel: Base Salary – will increase to a pre-tax annualized rate of $850,000. Annual Incentive – Your annual incentive target will increase to $900,000 for the 2023 performance year (payable in 2024). As you are aware, the annual incentive is typically paid in the first quarter of the year following the performance period and is not considered earned until the date paid. Long-Term Incentive – Your annual long-term incentive target will increase to $3,250,000 for the upcoming 2024 annual grant. NEW TOTAL ANNUAL COMPENSATION OPPORTUNITY: $5,000,000 Your employment will remain as an at-will employee, meaning that you or the Company has the right to terminate your employment relationship at any time for any reason or no reason. The changes above have no impact on previously awarded bonuses, stock options, restricted stock or SPS grants. As an executive of the company, your compensation will be subject to any future program changes. Nicole, congratulations on your expanded role. I look forward to continuing to partner with you. Sincerely, David M. Cordani cc: K. Gorodetzer K. Stevens 900 Cottage Grove Road Wilde Bldg Bloomfield, CT 06152 Telephone 860.226.7482

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Exhibit 31.1

CERTIFICATION

I, DAVID M. CORDANI, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Cigna Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

/s/ David M. Cordani

Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, BRIAN C. EVANKO, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Cigna Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

/s/ Brian C. Evanko

Executive Vice President, Chief Financial Officer, The Cigna Group, and President and Chief Executive Officer, Cigna Healthcare

Exhibit 32.1

Certification of Chief Executive Officer of
The Cigna Group pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Quarterly Report on Form 10-Q of The Cigna Group for the fiscal period ending September 30, 2023 March 31, 2024 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of The Cigna Group.

/s/ David M. Cordani

David M. Cordani
Chairman and Chief Executive Officer
November May 2, 2023 2024

Exhibit 32.2

Certification of Chief Financial Officer of
The Cigna Group pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Quarterly Report on Form 10-Q of The Cigna Group for the fiscal period ending September 30, 2023 March 31, 2024 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of The Cigna Group.

/s/ Brian C. Evanko

Brian C. Evanko
Executive Vice President, Chief Financial Officer, The Cigna Group, and President and Chief Executive Officer, Cigna Healthcare
November May 2, 2023 2024

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