AETNA INC /PA/
Form DEF 14A
April 12, 2010

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

AETNA INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
þ No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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2010 Aetna Inc.
Notice of Annual Meeting and
Proxy Statement

Aetna Inc.
151 Farmington Avenue
Hartford, Connecticut 06156

Ronald A. Williams
Chairman and
Chief Executive Officer

To Our Shareholders:

Aetna Inc. s 2010 Annual Meeting of Shareholders will be held on Friday, May 21, 2010, at 9:30 a.m. Eastern time at the Atlanta Marriott Marquis in Atlanta, Georgia, and we hope you will attend.

This booklet includes the Notice of the Annual Meeting and Aetna s 2010 Proxy Statement. The Proxy Statement provides information about Aetna and describes the business we will conduct at the meeting.

At the meeting, in addition to specific agenda items, we will discuss generally the operations of Aetna. We welcome any questions you have concerning Aetna and will provide time during the meeting for questions from shareholders.

If you are unable to attend the Annual Meeting, it is still important that your shares be represented. Please vote your shares promptly.

Ronald A. Williams
Chairman and Chief Executive Officer
April 12, 2010

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Aetna Inc.
151 Farmington Avenue
Hartford, Connecticut 06156

Judith H. Jones
Vice President and
Corporate Secretary

Notice of Annual Meeting of Shareholders of Aetna Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Aetna Inc. will be held at the Atlanta Marriott Marquis in Atlanta, Georgia, on Friday, May 21, 2010, at 9:30 a.m. Eastern time for the following purposes:

1. To elect as Directors of Aetna Inc. the 13 nominees named in this Proxy Statement;

2. To approve the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2010;

3. To approve the proposed Aetna Inc. 2010 Stock Incentive Plan;

4. To approve the proposed Aetna Inc. 2010 Non-Employee Director Compensation Plan;

5. To approve the continued use of certain performance criteria under the Aetna Inc. 2001 Annual Incentive Plan;

6. To consider and act on two shareholder proposals, if properly presented at the meeting; and

7. To transact any other business that may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 19, 2010 as the record date for determination of the shareholders entitled to vote at the Annual Meeting or any adjournment thereof.

The Annual Meeting is open to all shareholders as of the close of business on the March 19, 2010 record date or their authorized representatives. Parking is available at the Atlanta Marriott Marquis. **See the following page for directions to the Atlanta Marriott Marquis.**

We ask that you signify your intention to attend the Annual Meeting by checking the appropriate box on your proxy card. In lieu of issuing an admission ticket, we will place your name on a shareholder attendee list, and you will be asked to register and **present government issued photo identification** (e.g., a driver s license or passport) before being admitted to the Annual Meeting. If you hold your shares through a stockbroker, bank or other holder of record and plan to attend, you must send a written request to attend along with proof that you own the shares (such as a copy of your brokerage or bank account statement for the period including March 19, 2010) to Aetna s Corporate Secretary at 151 Farmington Avenue, RC61, Hartford, CT 06156. The Annual Meeting will be audiocast live on the Internet at **www.aetna.com/investor.**

It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares by one of the following methods: vote by Internet or by telephone using the instructions on the enclosed proxy card (if these options are available to you), or mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope furnished for that purpose. If you attend the Annual Meeting, you may vote in person if you wish, even if you have voted previously.

This Notice of Annual Meeting and Proxy Statement and the Company s 2009 Annual Report, Financial Report to Shareholders are available on Aetna s Internet website at **www.aetna.com/proxymaterials**.

By order of the Board of Directors,

Judith H. Jones
Vice President and Corporate Secretary
April 12, 2010

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DIRECTIONS TO THE ATLANTA MARRIOTT MARQUIS

FROM I-75/85 NORTH

From I-75/85 North, take Exit 248C (Andrew Young International Blvd.). Turn left on Andrew Young International Blvd. then right on Peachtree Center Ave. The hotel is 2 blocks on the right

FROM I-75/85 SOUTH

From I-75/85 South, take Exit 249A (Courtland Street). Go to 3rd light. Turn right on Andrew Young International Blvd. Go 1 block to Peachtree Center Ave. Turn right. The hotel is 2 blocks on the right.

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AETNA INC.
151 FARMINGTON AVENUE, HARTFORD, CONNECTICUT 06156
APRIL 12, 2010

PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON FRIDAY, MAY 21, 2010

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 21, 2010

This Proxy Statement and the related 2009 Annual Report, Financial Report to Shareholders are available at www.aetna.com/proxymaterials.

Among other things, the Questions and Answers about the Proxy Materials and the Annual Meeting section of this Proxy Statement contains information regarding:

The date, time and location of the Annual Meeting;

A list of the matters being submitted to shareholders for vote and the recommendations of the Board of Directors of Aetna Inc. regarding each of those matters; and

Information about attending the Annual Meeting and voting in person.

Any control/identification number that a shareholder needs to access his or her form of proxy or voting instruction card is included with his or her proxy or voting instruction card.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: WHY AM I RECEIVING THESE MATERIALS?

A: The Board of Directors (the Board) of Aetna Inc. (Aetna) is providing these proxy materials to you in connection with the solicitation by the Board of proxies to be voted at Aetna s Annual Meeting of Shareholders that will take place on May 21, 2010, and any adjournments or postponements of the Annual Meeting. You are invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement. These proxy materials and the enclosed proxy card are being mailed to shareholders on or about April 12, 2010.

Q: WHAT INFORMATION IS CONTAINED IN THESE MATERIALS?

A: This Proxy Statement provides you with information about Aetna s governance structure, our Director nominating process, the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our Directors and our named executive officers, and certain other required information.

Q: WHAT PROPOSALS WILL BE VOTED ON AT THE ANNUAL MEETING?

A: There are seven items scheduled to be voted on at the Annual Meeting:

Election of the 13 nominees named in this Proxy Statement as Directors of Aetna for the coming year.

Approval of the appointment of KPMG LLP as the independent registered public accounting firm of Aetna and its subsidiaries (collectively, the Company) for the year 2010.

Approval of the proposed Aetna Inc. 2010 Stock Incentive Plan.

Approval of the proposed Aetna Inc. 2010 Non-Employee Director Compensation Plan.

Approval of the continued use of certain performance criteria under the Aetna Inc. 2001 Annual Incentive Plan.

Consideration of a shareholder proposal relating to cumulative voting in the election of Directors, if properly presented at the Annual Meeting.

Consideration of a shareholder proposal relating to adopting a policy that the Chairman of the Board be an independent director who has not previously served as an executive officer of the Company, if properly presented at the Annual Meeting.

Q: WHAT ARE AETNA S VOTING RECOMMENDATIONS?

A: The Board recommends that you vote your shares FOR each of Aetna s nominees to the Board, FOR the approval of the appointment of KPMG LLP as the Company s independent registered public accounting firm for 2010, FOR the approval of each of the proposed Plans, FOR the continued use of certain performance criteria under the Aetna Inc. 2001 Annual Incentive Plan, and AGAINST each of the shareholder proposals.

Q: WHICH OF MY SHARES CAN I VOTE?

A: You may vote all Aetna Common Shares, par value $.01 per share (Common Stock), you owned as of the close of business on March 19, 2010, the RECORD DATE. These shares include those (1) held directly in your name as the SHAREHOLDER OF RECORD, including shares purchased through Aetna s DirectSERVICE Investment Program, and (2) held for you as the BENEFICIAL OWNER through a stockbroker, bank or other holder of record.

Q: WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A SHAREHOLDER OF RECORD AND AS A BENEFICIAL OWNER?

A: Many Aetna shareholders hold their shares through a stockbroker, bank or other holder of record rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially:

SHAREHOLDER OF RECORD If your shares are registered directly in your name with Aetna s transfer agent, Computershare Trust Company, N.A. (the Transfer Agent), you are considered the shareholder of record with respect to those shares, and Aetna is sending these proxy materials directly to you. As the shareholder of record, you have the right to grant your voting proxy to the persons appointed by Aetna or to vote in person at the Annual Meeting. Aetna has enclosed a proxy card for you to use. Any shares held for you under the DirectSERVICE Investment Program are included on the enclosed proxy card.

BENEFICIAL OWNER If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or other nominee who is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or other nominee on how to vote your shares, and you also are invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you bring with you to the Annual Meeting a proxy, executed in your favor, from the shareholder of record. Your broker or other nominee is also obligated to provide you with a voting instruction card for you to use to direct them as to how to vote your shares.

Q: HOW CAN I VOTE MY SHARES BEFORE THE ANNUAL MEETING?

A: Whether you hold shares directly as the shareholder of record or beneficially in street name, you may vote before the Annual Meeting by granting a proxy to each of Barbara Hackman Franklin, Gerald Greenwald and Ellen M. Hancock or, for shares you beneficially own, by submitting voting instructions to your broker or other nominee. Most shareholders have a choice of voting by using the Internet, by calling a toll-free telephone number within the United States or Puerto Rico, or by completing a proxy or voting instruction card and mailing it in the postage-paid envelope provided. Please refer to the summary instructions below and carefully follow the instructions included on your proxy card or, for shares you beneficially own, the voting instruction card provided by your broker or other nominee.

BY MAIL You may vote by mail by marking, signing and dating your proxy card or, for shares held in street name, the voting instruction card provided by your broker or other nominee and mailing it in the enclosed, postage-paid envelope. If you provide specific voting instructions, your shares will be voted as you instruct. **If you sign and date your proxy or voting instruction card but do not provide instructions, your shares will be voted as described under WHAT IF I RETURN MY PROXY CARD OR VOTING INSTRUCTION CARD BUT DO NOT PROVIDE VOTING INSTRUCTIONS? beginning on page 4.**

BY INTERNET Go to www.proxyvote.com and follow the instructions. You will need to have your proxy card (or the e-mail message you receive with instructions on how to vote) in hand when you access the website.

BY TELEPHONE Call toll-free on a touchtone telephone 1-800-690-6903 inside the United States or Puerto Rico and follow the instructions. You will need to have your proxy card (or the e-mail message you receive with instructions on how to vote) in hand when you call.

The Internet and telephone voting procedures are designed to authenticate shareholders and to allow shareholders to confirm that their instructions have been properly recorded. In order to provide shareholders of record with additional time to vote their shares while still permitting an orderly tabulation of votes, Internet and telephone voting for these shareholders will be available until 11:59 p.m. Eastern time on May 20, 2010.

Q: HOW CAN I VOTE THE SHARES I HOLD THROUGH THE 401(K) PLAN?

A: Participants in the Aetna 401(k) Plan (the 401(k) Plan) who receive this Proxy Statement in their capacity as participants in the 401(k) Plan will receive voting instruction cards in lieu of proxy cards. The voting instruction card directs the trustee of the 401(k) Plan how to vote the shares. Shares held in the 401(k) Plan may be voted by using the Internet, by calling a toll-free telephone number or by marking, signing and dating the voting instruction card and mailing it in the postage-paid envelope provided. Shares held in the 401(k) Plan for which no instructions are received are voted by the trustee of the 401(k) Plan in the same percentage as the shares held in the 401(k) Plan for which instructions are received.

Q: HOW CAN I VOTE THE SHARES I HOLD THROUGH THE EMPLOYEE STOCK PURCHASE PLAN?

A: You hold the Common Stock you acquired through Aetna s Employee Stock Purchase Plan (the ESPP) as the beneficial owner of shares held in street name. You can vote these shares as described beginning on page 2 under HOW CAN I VOTE MY SHARES BEFORE THE ANNUAL MEETING?

Q: CAN I CHANGE MY VOTE?

A: Yes. For shares you hold directly in your name, you may change your vote by (1) signing another proxy card with a later date and delivering it to us before the date of the Annual Meeting (or submitting revised votes over the Internet or by telephone before 11:59 p.m. Eastern time on May 20, 2010), or (2) attending the Annual Meeting in person and voting your shares at the Annual Meeting. The last-dated proxy card will be the only one that counts. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request. You may revoke your proxy by providing written notice to Aetna s Corporate Secretary at 151 Farmington Avenue, RW61, Hartford, CT 06156. For shares you hold beneficially, you may change your vote by submitting new voting instructions to your broker or other nominee in a manner that allows your broker or other nominee sufficient time to vote your shares.

Q: CAN I VOTE AT THE ANNUAL MEETING?

A: You may vote your shares at the Annual Meeting if you attend in person. You may vote the shares you hold directly in your name by completing a ballot at the Annual Meeting. You may only vote the shares you hold in street name at the Annual Meeting if you bring to the Annual Meeting a proxy, executed in your favor, from the shareholder of record. You may not vote shares you hold through the 401(k) Plan at the Annual Meeting.

Q: HOW CAN I VOTE ON EACH PROPOSAL?

A: In the election of Directors, you may vote FOR, AGAINST or ABSTAIN with respect to each of the Director nominees. In an uncontested election, any incumbent Director nominee who receives more AGAINST than FOR votes is required to submit his or her resignation for consideration by the Nominating and Corporate Governance Committee and the Board. Please see Director Elections Majority Voting Standard on page 10. For all other proposals, you may vote FOR, AGAINST or ABSTAIN. For a discussion of the votes needed to approve each proposal, see WHAT IS THE VOTING REQUIREMENT TO APPROVE EACH OF THE PROPOSALS, AND HOW WILL VOTES BE COUNTED? on page 6.

Q: WHAT IF I RETURN MY PROXY CARD OR VOTING INSTRUCTION CARD BUT DO NOT PROVIDE VOTING INSTRUCTIONS?

A: **If you sign and date your proxy card with no further instructions, your shares will be voted (1) FOR the election as Directors of each of the nominees named on pages 19 through 31 of this Proxy Statement, (2) FOR the approval of KPMG LLP as the Company s independent registered public accounting firm for 2010, (3) FOR the approval of the proposed Aetna Inc. 2010 Stock Incentive Plan, (4) FOR the approval of the proposed Aetna Inc. 2010 Non-Employee Director Compensation Plan, (5) FOR the continued use of certain performance criteria under the Aetna Inc. 2001 Annual Incentive Plan and (6) AGAINST each of the shareholder proposals.**

If you sign and date your broker voting instruction card with no further instructions, your shares will be voted as described on your broker voting instruction card.

If you sign and date your 401(k) Plan voting instruction card with no further instructions, all shares you hold in the 401(k) Plan will be voted by the trustee of the 401(k) Plan in the same percentage as the shares held in the 401(k) Plan for which the trustee receives voting instructions.

Q: WHAT IF I DON T RETURN MY PROXY CARD OR VOTING INSTRUCTION CARD?

A: Shares that you hold directly in your name will not be voted at the Annual Meeting. Shares that you beneficially own that are held in the name of a brokerage firm or other nominee may be voted in certain circumstances even if you do not provide the brokerage firm with voting instructions. Under New York Stock Exchange (NYSE) rules, brokerage firms have the authority to vote shares for which their customers do not provide voting instructions on certain routine matters. The approval of KPMG LLP as the Company s independent registered public accounting firm for 2010 and the approval of the continued use of certain performance criteria under Aetna s 2001 Annual Incentive Plan are considered routine matters for which brokerage firms may vote uninstructed shares. The election of Directors, the approval of the proposed Aetna Inc. 2010 Stock Incentive Plan, the approval of the proposed Aetna Inc. 2010 Non-Employee Director Compensation Plan and each of the shareholder proposals to be voted on at the Annual Meeting are not considered routine under the applicable rules, and therefore brokerage firms may not vote uninstructed shares on any of those proposals. Any uninstructed shares you hold through the 401(k) Plan will be voted by the trustee of the 401(k) Plan in the same percentage as the shares held in the 401(k) Plan for which the trustee receives instructions.

If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of Directors. In the past, if you held your shares in street name and you did not indicate how you

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wanted your shares voted in the election of Directors, your brokerage firm was allowed to vote those shares on your behalf in the election of Directors as it felt appropriate.

Recent changes in regulation were made to take away the ability of your brokerage firm to vote your uninstructed shares in the election of Directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your brokerage firm how to vote in the election of Directors, no votes will be cast on your behalf. Your brokerage firm will, however, continue to have discretion to vote any uninstructed shares on the approval of KPMG LLP as the Company s independent registered public accounting firm for 2010 and the approval of the continued use of certain performance criteria under Aetna s 2001 Annual Incentive Plan. It will not have discretion to vote uninstructed shares on the approval of the proposed Aetna Inc. 2010 Stock Incentive Plan, the approval of the proposed Aetna Inc. 2010 Non-Employee Director Compensation Plan or any of the shareholder proposals. If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

Q: WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY OR VOTING INSTRUCTION CARD?

A: It means your shares are registered differently or are in more than one account. Please provide voting instructions for all of the proxy and voting instruction cards you receive.

Q: WHAT SHOULD I DO IF I WANT TO ATTEND THE ANNUAL MEETING?

A: The Annual Meeting will be held at the Atlanta Marriott Marquis in Atlanta, Georgia. Directions to the Atlanta Marriott Marquis in Atlanta, Georgia are on the page following the attached Notice of Annual Meeting of Shareholders of Aetna Inc. The Annual Meeting is open to all shareholders as of the close of business on the March 19, 2010 RECORD DATE or their authorized representatives. We ask that you signify your intention to attend by checking the appropriate box on your proxy card or voting instruction card. In lieu of issuing an admission ticket, we will place your name on a shareholder attendee list, and you will be asked to register and present **government issued photo identification** (for example, a driver s license or passport) before being admitted to the Annual Meeting. If your shares are held in street name and you plan to attend, you must send a written request to attend along with proof that you owned the shares as of the close of business at the RECORD DATE (such as a copy of your brokerage or bank account statement for the period including March 19, 2010) to Aetna s Corporate Secretary at 151 Farmington Avenue, RC61, Hartford, CT 06156.

Q: CAN I LISTEN TO THE ANNUAL MEETING IF I DON T ATTEND IN PERSON?

A: Yes. You can listen to the live audio webcast of the Annual Meeting by going to Aetna s Internet website at www.aetna.com/investor and then clicking on the link to the webcast.

Q: WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?

A: We will publish the voting results of the Annual Meeting in a Current Report on Form 8-K within four business days after the Annual Meeting.

Q: WHAT CLASS OF SHARES IS ENTITLED TO BE VOTED?

A: Each share of Aetna s Common Stock outstanding as of the close of business on March 19, 2010, the RECORD DATE, is entitled to one vote at the Annual Meeting. At the close of business on March 19, 2010, 431,518,790 shares of the Common Stock were outstanding.

Q: HOW MANY SHARES MUST BE PRESENT TO HOLD THE ANNUAL MEETING?

A: A majority of the shares of Common Stock outstanding as of the close of business on March 19, 2010 must be present in person or by proxy for us to hold the Annual Meeting and transact business. This is referred to as a quorum. Broker nonvotes are counted as present for the purpose of determining the presence of a quorum if the broker votes on a non-procedural matter, such as the appointment of the Company s independent registered public accounting firm. Generally, broker nonvotes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the proposal is not a routine matter, and the broker has not received voting instructions from the beneficial owner of the shares. If you vote to abstain on one or more proposals, your shares will be counted as present for purposes of determining the presence of a quorum unless you vote to abstain on all proposals.

Q: WHAT IS THE VOTING REQUIREMENT TO APPROVE EACH OF THE PROPOSALS, AND HOW WILL VOTES BE COUNTED?

A: Under Pennsylvania corporation law and Aetna s Articles of Incorporation and By-Laws, the approval of any corporate action taken at the Annual Meeting is based on votes cast. The votes necessary to approve the Aetna Inc. 2010 Stock Incentive Plan and the Aetna Inc. 2010 Non-Employee Director Compensation Plan (collectively, the Plan Proposals), including the impact of abstentions and broker nonvotes, are subject to separate NYSE rules and are described below. For all other proposals to be considered at the Annual Meeting, shareholder approval occurs if the votes cast in favor of the proposal exceed the votes cast against the proposal. Votes cast on these proposals means votes for or against a particular proposal, whether by proxy or in person. Abstentions and broker nonvotes are not considered votes cast on these proposals and therefore have no effect on the outcome. In uncontested elections, Directors are elected by a majority of votes cast. As described in more detail on page 10 under Director Elections Majority Voting Standard, Aetna s Corporate Governance Guidelines require any incumbent Director nominee who receives more against than for votes to submit his or her resignation for consideration by the Nominating and Corporate Governance Committee and the Board.

For each of the Plan Proposals, under NYSE rules, shareholder approval occurs if a majority of votes cast are for the Proposal and the total number of votes cast are a majority of the shares of Common Stock outstanding at the Record Date. Under NYSE rules, votes cast for a Plan Proposal consist of votes for or against the Plan Proposal as well as abstentions. As a result, abstentions have the effect of a vote against a Plan Proposal. Broker nonvotes are not considered votes cast and therefore have no effect on the number of votes cast on a Plan Proposal. However, broker nonvotes can have the effect of a vote against a Plan Proposal if the broker nonvote causes the total number of votes cast on the Plan Proposal to be less than a majority of the shares of Common Stock outstanding at the Record Date.

If you are a beneficial owner and do not provide the shareholder of record with voting instructions, your shares may constitute broker nonvotes, as described under HOW MANY SHARES MUST BE PRESENT TO HOLD THE ANNUAL MEETING? beginning on page 5.

Q: WHO WILL BEAR THE COST OF SOLICITING VOTES FOR THE ANNUAL MEETING?

A: Aetna will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials, except that you will pay for Internet access if you choose to access these proxy materials over the Internet. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or by electronic communication by our Directors, officers and employees, none of whom will receive any additional compensation for such solicitation activities. We also have hired Georgeson Inc. to assist us in the solicitation of votes for a fee of $21,000 plus reasonable out-of-pocket expenses for these services. We also will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to beneficial owners of the Common Stock and obtaining their voting instructions.

Q: DOES AETNA OFFER SHAREHOLDERS THE OPTION OF VIEWING ANNUAL REPORTS TO SHAREHOLDERS AND PROXY STATEMENTS VIA THE INTERNET?

A: Yes. Aetna offers shareholders of record the option of viewing future annual reports to shareholders and proxy statements via the Internet instead of receiving paper copies of these documents in the mail. The 2010

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Aetna Inc. Notice of Annual Meeting and Proxy Statement and 2009 Aetna Annual Report, Financial Report to Shareholders are available on Aetna s Internet website at www.aetna.com/proxymaterials. Under Pennsylvania law, Aetna may provide shareholders who give Aetna their e-mail addresses with electronic notice of its shareholder meetings as described below.

If you are a shareholder of record, you can choose to receive annual reports to shareholders and proxy statements via the Internet and save Aetna the cost of producing and mailing these documents in the future by following the instructions under HOW DO I ELECT THIS OPTION? below. If you hold your shares through a stockbroker, bank or other holder of record, check the information provided by that entity for instructions on how to elect to view future notices of shareholder meetings, proxy statements and annual reports over the Internet.

If you are a shareholder of record and choose to receive future notices of shareholder meetings by e-mail and view future proxy statements and annual reports over the Internet, you must supply an e-mail address, and you will receive your notice of the meeting by e-mail when those materials are posted. The notice you receive will include instructions and contain the Internet address for those materials.

Many shareholders who hold their shares through a stockbroker, bank or other holder of record and elect electronic access will receive an e-mail containing the Internet address to access Aetna s notices of shareholder meetings, proxy statements and annual reports when those materials are posted.

Q: HOW DO I ELECT THIS OPTION?

A: If you are a shareholder of record and are interested in receiving future notices of shareholder meetings by e-mail and viewing future annual reports and proxy statements on the Internet instead of receiving paper copies of these documents, you may elect this option when voting by using the Internet at www.proxyvote.com and following the instructions. You will need to have your proxy card in hand when you access the website.

Q: WHAT IF I GET MORE THAN ONE COPY OF AETNA S ANNUAL REPORT?

A: The 2009 Aetna Annual Report, Financial Report to Shareholders is being mailed to shareholders in advance of or together with this Proxy Statement. If you hold Aetna shares in your own name and received more than one copy of the 2009 Aetna Annual Report, Financial Report to Shareholders at your address and wish to reduce the number of reports you receive and save Aetna the cost of producing and mailing these reports, you should contact Aetna s Transfer Agent at 1-800-446-2617 to discontinue the mailing of reports on the accounts you select. At least one account at your address must continue to receive an annual report, unless you elect to review future annual reports over the Internet. Mailing of dividend checks, dividend reinvestment statements, proxy materials and special notices will not be affected by your election to discontinue duplicate mailings of annual reports. Registered shareholders may resume the mailing of an annual report to an account by calling Aetna s Transfer Agent at 1-800-446-2617. If you own shares through a stockbroker, bank or other holder of record and received more than one 2009 Aetna Annual Report, Financial Report to Shareholders, please contact the holder of record to eliminate duplicate mailings.

Householding occurs when a single copy of our annual report and proxy statement is sent to any household at which two or more shareholders reside if they appear to be members of the same family. Although we do not household for registered shareholders, a number of brokerage firms have instituted householding for shares held in street name. This procedure reduces our printing and mailing costs and fees. Shareholders who participate in householding will continue to receive separate proxy cards, and householding will not affect the mailing of account statements or special notices in any way.

Q: WHAT IF A DIRECTOR NOMINEE IS UNWILLING OR UNABLE TO SERVE?

A: If for any unforeseen reason any of Aetna s nominees is not available to be a candidate for Director, the persons named as proxy holders on your proxy card may vote your shares for such other candidate or

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candidates as may be nominated by the Board, or the Board may reduce the number of Directors to be elected.

Q: WHAT HAPPENS IF ADDITIONAL PROPOSALS ARE PRESENTED AT THE MEETING?

A: Other than the election of Directors and the other proposals described in this Proxy Statement, Aetna has not received proper notice of, and is not aware of, any matters to be presented for a vote at the Annual Meeting. If you grant a proxy using the enclosed proxy card, the persons named as proxies on the enclosed proxy card, or any of them, will have discretion to, and intend to, vote your shares according to their best judgment on any additional proposals or other matters properly presented for a vote at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place.

Q: CAN I PROPOSE ACTIONS FOR CONSIDERATION AT NEXT YEAR S ANNUAL MEETING OF SHAREHOLDERS OR NOMINATE INDIVIDUALS TO SERVE AS DIRECTORS?

A: Yes. You can submit proposals for consideration at future annual meetings, including Director nominations.

SHAREHOLDER PROPOSALS: In order for a shareholder proposal to be considered for inclusion in Aetna s proxy statement for next year s Annual Meeting, the written proposal must be RECEIVED by Aetna s Corporate Secretary no later than December 13, 2010. SUCH PROPOSALS MUST BE SENT TO: CORPORATE SECRETARY, AETNA INC., 151 FARMINGTON AVENUE, RC61, HARTFORD, CT 06156. Such proposals also will need to comply with the United States Securities and Exchange Commission (the SEC) rules and regulations, namely Rule 14a-8, regarding the inclusion of shareholder proposals in Aetna sponsored proxy materials.

In order for a shareholder proposal to be raised from the floor during next year s Annual Meeting instead of being submitted for inclusion in Aetna s proxy statement, the shareholder s written notice must be RECEIVED by Aetna s Corporate Secretary at least 90 calendar days before the date of next year s Annual Meeting and must contain the information required by Aetna s By-Laws. Please note that the 90-day advance notice requirement relates only to matters a shareholder wishes to bring before the Annual Meeting from the floor. It does not apply to proposals that a shareholder wishes to have included in Aetna s proxy statement; that procedure is explained in the paragraph above.

NOMINATION OF DIRECTOR CANDIDATES: You may propose Director candidates for consideration by the Board s Nominating and Corporate Governance Committee (the Nominating Committee). In addition, Aetna s By-Laws permit shareholders to nominate Directors for consideration at a meeting of shareholders at which one or more Directors are to be elected. In order to make a Director nomination at next year s Annual Meeting, the shareholder s written notice must be RECEIVED by Aetna s Corporate Secretary at least 90 calendar days before the date of next year s Annual Meeting and must contain the information required by Aetna s By-Laws. (Please see Director Qualifications on page 18 for a description of qualifications that the Board believes are required for Board nominees.)

COPY OF BY-LAW PROVISIONS: You may contact the Corporate Secretary at Aetna s Headquarters for a copy of the relevant provisions of Aetna s By-Laws regarding the requirements for making shareholder proposals and nominating Director candidates. You also can visit Aetna s website at www.aetna.com/governance to review and download a copy of Aetna s By-Laws.

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Q: CAN SHAREHOLDERS ASK QUESTIONS AT THE ANNUAL MEETING?

A: Yes. You can ask questions regarding each of the items to be voted on when those items are discussed at the Annual Meeting. Shareholders also will have an opportunity to ask questions of general interest at the end of the Annual Meeting.

Q: WHO COUNTS THE VOTES CAST AT THE ANNUAL MEETING?

A: Votes are counted by employees of Broadridge Financial Solutions, Inc. and certified by the judge of election for the Annual Meeting who is an employee of Governance Consulting Services, LLC. The judge will determine the number of shares outstanding and the voting power of each share, determine the shares represented at the Annual Meeting, determine the existence of a quorum, determine the validity of proxies and ballots, count all votes and determine the results of the actions taken at the Annual Meeting.

Q: IS MY VOTE CONFIDENTIAL?

A: Yes. The vote of each shareholder is held in confidence from Aetna s Directors, officers and employees except (a) as necessary to meet applicable legal requirements (including stock exchange listing requirements) and to assert or defend claims for or against Aetna and/or one or more of its consolidated subsidiaries, (b) as necessary to assist in resolving any dispute about the authenticity or accuracy of a proxy card, consent, ballot, authorization or vote, (c) if there is a contested proxy solicitation, (d) if a shareholder makes a written comment on a proxy card or other means of voting or otherwise communicates the shareholder s vote to management, or (e) as necessary to obtain a quorum.

GOVERNANCE OF THE COMPANY

At Aetna, we believe sound corporate governance principles are good for our business, the industry, the competitive marketplace and for all of those who place their trust in us. We have embraced the principles behind the Sarbanes-Oxley Act of 2002, as well as the governance rules for companies listed on the NYSE. These principles are reflected in the structure and composition of our Board and in the charters of our Board Committees, and are reinforced through Aetna s Code of Conduct, which applies to every employee and to our Directors.

Aetna s Corporate Governance Guidelines

Aetna s Corporate Governance Guidelines (the Guidelines) provide the framework for the governance of Aetna. The governance rules for companies listed on the NYSE and those contained in the Sarbanes-Oxley Act of 2002 are reflected in the Guidelines. The Guidelines address the role of the Board (including advising on key strategic, financial and business objectives); the composition and selection of Directors; the functioning of the Board (including its annual self-evaluation); the Committees of the Board; the compensation of Directors; and the conduct and ethics standards for Directors, including a prohibition against any nonmanagement Director having a direct or indirect material relationship with the Company except as authorized by the Board or our Nominating Committee, and a prohibition against Company loans to, or guarantees of obligations of, Directors and their family members. The Guidelines are available at www.aetna.com/governance.

The Board reviews the Company s corporate governance practices annually. These reviews include a comparison of our current practices to those suggested by various groups or authorities active in corporate governance and to those of other public companies.

Director Elections Majority Voting Standard

Aetna s Articles of Incorporation provide for majority voting in uncontested elections of Directors. Under the Articles of Incorporation, a Director nominee will be elected if the number of votes cast for the nominee exceeds the number of votes cast against the nominee. An abstain vote will not have any effect on the outcome of the election. In contested elections, those in which there are more candidates for election than the number of Directors to be elected and one or more candidates have been properly proposed by shareholders, the voting standard will be a plurality of votes cast. Under Pennsylvania law and the Articles of Incorporation, if an incumbent Director nominee does not receive a majority of the votes cast in an uncontested election, the incumbent Director will continue to serve on the Board until his or her successor is elected and qualified. To address this situation, the Guidelines require any incumbent nominee for Director in an uncontested election who receives more against votes than for votes to promptly submit his or her resignation for consideration by the Nominating Committee. The Nominating Committee is then required to recommend to the Board the action to be taken with respect to the resignation, and the Board is required to act on the resignation, in each case within a reasonable period of time. Aetna will disclose promptly to the public each such resignation and decision by the Board. New nominees not already serving on the Board who fail to receive a majority of votes cast in an uncontested election will not be elected to the Board in the first instance.

Director Retirement Age

The Nominating Committee regularly assesses the appropriate size and composition of the Board and, among other matters, whether any vacancies on the Board are expected due to retirement or otherwise. The current Director retirement age is 76. Each year, the Nominating Committee assesses the characteristics and performance of each individual Director candidate as part of its nomination process, regardless of the candidate s age.

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Executive Sessions

Aetna s nonmanagement Directors meet in regularly scheduled executive sessions at Aetna s Board meetings, without management present. During 2009, the nonmanagement Directors, each of whom is independent, met seven times to discuss certain Board policies, processes and practices, the performance and proposed performance-based compensation of the Chief Executive Officer (CEO), management succession and other matters relating to the Company and the functioning of the Board.

Board Leadership Structure and the Presiding Director

The Board, assisted by the Nominating and Corporate Governance Committee, regularly reviews the leadership structure of the Company, including whether the position of Chairman should be held by an independent director. The Board believes that the decision to combine or separate the positions of Chairman and Chief Executive Officer is highly dependent on the strengths and personality of the personnel involved and must take into account current business conditions and the environment in which the Company operates. Currently, the Board strongly believes that Mr. Williams, acting as both Chairman and Chief Executive Officer, serves as a highly successful leader of the Board and is an effective bridge between the Board and Company management. In addition, given the current business conditions as well as the environment in which our Company is operating, the Board has determined that Mr. Williams continues to serve very effectively in both roles. Accordingly, the Board has decided to keep the roles combined at this time. Because the roles of Chairman and Chief Executive Officer are combined, the Board has taken several additional steps to ensure that it effectively carries out its responsibility for independent oversight of management. These steps include the appointment of a Presiding Director (with comprehensive and clearly delineated duties); the scheduling at every regular Board meeting of a session of the nonmanagement directors (without Mr. Williams or other management attendees present); and assuring that the nonmanagement directors are independent. In addition, each Board Committee meets regularly in executive session.

Gerald Greenwald, an independent Director, has been the Presiding Director since April of 2007. Generally, the Presiding Director is responsible for coordinating the activities of the independent Directors. Among other things, the Presiding Director sets the agenda for and leads the nonmanagement and independent Director sessions that the Board regularly holds, and briefs the Chairman and Chief Executive Officer on any issues arising from those sessions. The Presiding Director also acts as the principal liaison to the Chairman and Chief Executive Officer for the views of, and any concerns or issues raised by, the independent Directors, though all Directors continue to interact one-on-one with the Chairman and Chief Executive Officer as needed and as appropriate. The Chairman and Chief Executive Officer consults with the Presiding Director, who provides input on and approves agendas for Board meetings and Board meeting schedules. The Presiding Director also consults with the other Directors and advises the Chairman and Chief Executive Officer about the quality, quantity and timeliness of information provided to the Board and the Board s decision making processes.

Communications with the Board

To contact Ronald A. Williams, Aetna s Chairman of the Board and Chief Executive Officer, you may write to Mr. Williams at Aetna Inc., 151 Farmington Avenue, Hartford, CT 06156. Communications sent to Mr. Williams will be delivered directly to him. Anyone wishing to make their concerns known to Aetna s nonmanagement Directors or to send a communication to the entire Board may contact Mr. Greenwald by writing to the Presiding Director at P.O. Box 370205, West Hartford, CT 06137-0205. All such communications will be kept confidential and forwarded directly to the Presiding Director or the Board, as applicable.

Director Independence

The Board has established guidelines (Director Independence Standards) to assist it in determining Director independence. In accordance with the Director Independence Standards, the Board must determine that each independent Director has no material relationship with the Company other than as a Director and/or a shareholder of the Company. Consistent with the NYSE listing standards, the Director Independence Standards specify the criteria by which the independence of our Directors will be determined, including guidelines for Directors and their immediate family members with respect to past employment or affiliation with the Company or its external auditor. A copy of the Director Independence Standards is attached to this Proxy Statement as Annex A and also is available at www.aetna.com/governance.

Pursuant to the Director Independence Standards, the Board undertook its annual review of Director independence in February of 2010. The purpose of this review was to determine whether any Director s relationships or transactions are inconsistent with a determination that the Director is independent. During this review, the Board considered transactions and relationships between each Director or any member of his or her immediate family (or any entity of which a Director or an immediate family member is a partner, shareholder or officer) and the Company. The Board also considered whether there were any transactions or relationships between Directors or any member of their immediate family with the Company or with members of the Company s senior management or their affiliates.

As a result of this review, the Board affirmatively determined in its business judgment that each of Frank M. Clark, Betsy Z. Cohen, Molly J. Coye, M.D., Roger N. Farah, Barbara Hackman Franklin, Jeffrey E. Garten, Earl G. Graves, Gerald Greenwald, Ellen M. Hancock, Richard J. Harrington, Edward J. Ludwig and Joseph P. Newhouse, each of whom also is standing for election at the Annual Meeting, is independent as defined in the NYSE listing standards and under Aetna s Director Independence Standards and that any relationship with the Company (either directly or as a partner, shareholder or officer of any organization that has a relationship with the Company) is not material under the independence thresholds contained in the NYSE listing standards and under Aetna s Director Independence Standards.

In determining that each of the nonmanagement Directors is independent, the Board considered that the Company in the ordinary course of business sells products and services to, and/or purchases products and services from, companies and other entities at which some of our Directors or their immediate family members are or have been officers and/or significant equity holders or have certain other relationships. Specifically, the Board considered the existence of the transactions listed in the table on page 13, all of which were made in the ordinary course of business, on terms and conditions substantially similar to those with unrelated third parties, and which the Board believes were in, or not inconsistent with, the best interests of the Company, and in each case were not material. As indicated in the table, the aggregate amounts paid to or received from these companies or other entities in each of the last three years did not approach the threshold in the Director Independence Standards (i.e., the greater of $1 million or 2% of the other company s consolidated gross revenues).

Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Agreement	2009 Amount(a)
		2009 Sales and Other Amounts Received by the Company			
Frank M.Clark	Exelon Corporation	Energy Services Company	Executive Officer	Health Care Benefits (Medical/Dental)	»0.02% >$1 million
Edward E.Cohen, husband of, Betsy Z. Cohen	Board of Brandywine Construction & Management, Inc.	Property Management Company	Executive Officer (Chairman)	Health Care Benefits (Medical)	<1% <$500,000
Molly J. Coye, M.D.	Public Health Institute	Non-Profit Education And Research Organization	Senior Advisor	Health Care Benefits (Medical/Life)	<1% <$500,000
Roger N. Farah	Polo Ralph Lauren Corporation	Lifestyle Products	Executive Officer	Health Care Benefits (Medical/Dental)	<1% <$500,000
Jeffrey E. Garten	Yale University	Educational Institution	Employee	Health Care Benefits (Medical/Life)	»0.21% >$1 million
Earl G. Graves	Earl G. Graves, Ltd.	Multimedia Company	Executive Officer	Health Care Benefits (Medical/Dental)	<2% <$1 million
Gerald Greenwald	Electro-Motive Diesel, Inc.	Builder Of Diesel-Electric Locomotives	Non-Executive Chairman	Health Care Benefits (Medical/Dental)	<1% <$500,000
Edward J. Ludwig	Becton, Dickinson and Company	Global Medical Technology Company	Executive Officer	Health Care Benefits (Medical/	»0.08% >$1 million

Dental);
Manufacturer
Discounts

(a) Percentages are determined by dividing (1) calendar year 2009 payments due and owing to the Company by (2) the applicable entity s most recently available annual consolidated gross revenues.

Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Agreement	2009 Amount(a)
			2009 Purchases by the Company		
Frank M. Clark	Exelon Corporation, and or its subsidiary companies	Energy Services Company	Executive Officer	Utility Services; Rent	<1% <$500,000
Jeffrey E. Garten	Yale University	Educational Institution	Employee	Training/Seminars; Sponsorship Services	<1% <$500,000
Earl G. Graves	Earl G. Graves, Ltd., and or its subsidiary companies	Multimedia Company	Executive Officer	Advertising and Marketing/Promotional Event	<2% <$500,000
Joseph P. Newhouse	Harvard University	Educational Institution	Employee	Medical Content for InteliHealth; Consulting/ Research	<1% <$1 million

(a) Percentages are determined by dividing (1) calendar year 2009 purchases by the Company by (2) the applicable entity s most recently available annual consolidated gross revenues.

In addition to the transactions in the table listed above, the Company may also hold equity and/or debt securities as investments in the ordinary course in corporations or organizations with which Messrs. Clark and/or Farah are affiliated. The amount of each such holding is below the 5% threshold amount in the Director Independence Standards. The Board determined that none of these relationships was material or impaired the independence of any Director.

All members of the Audit Committee, the Committee on Compensation and Organization (the Compensation Committee) and the Nominating Committee are, in the business judgment of the Board, independent Directors as defined in the NYSE listing standards and in Aetna s Director Independence Standards.

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Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee are Betsy Z. Cohen (Chairman), Frank M. Clark, Roger N. Farah, Barbara Hackman Franklin and Jeffrey E. Garten. None of the members of the Compensation Committee has ever been an officer or employee of the Company. There are no interlocking relationships with any of our executive officers or Compensation Committee members.

Meeting Attendance

The Board and its Committees meet throughout the year on a set schedule, and also hold special meetings from time to time, as appropriate. During 2009, the Board met ten times. The average attendance of Directors at all meetings during the year was 96%, and no Director attended less than 75% of the aggregate number of Board and Committee meetings that he or she was eligible to attend. It is the policy of the Board that all Directors should be present at Aetna s Annual Meeting of Shareholders. Twelve of the thirteen Directors then in office and standing for election attended Aetna s 2009 Annual Meeting of Shareholders.

Aetna s Code of Conduct

Aetna s Code of Conduct applies to every employee and to our Directors, and is available at www.aetna.com/governance. A complete copy was filed as Exhibit 14.1 to Aetna s Annual Report on Form 10-K filed with the SEC on February 26, 2010. The Code of Conduct is designed to ensure that Aetna s business is conducted in a consistently legal and ethical manner. The Code of Conduct includes policies on employee conduct, conflicts of interest and the protection of confidential information, and requires strict adherence to all laws and regulations applicable to the conduct of our business. Aetna will disclose any amendments to the Code of Conduct, or waivers of the Code of Conduct relating to Aetna s Directors, executive officers and principal financial and accounting officers or persons performing similar functions, on its website at www.aetna.com/governance within four business days following the date of any such amendment or waiver. To date, no waivers have been requested or granted.

Related Party Transaction Policy

Under Aetna s Code of Conduct, the Board or an independent Committee reviews any potential conflicts between the Company and any Director or executive officer. In addition, the Board has adopted a written Related Party Transaction Policy (the Policy) which applies to Directors, executive officers, significant shareholders and their immediate family members (each a Related Person). Under the Policy, all transactions involving the Company in which a Related Person has a direct or indirect material interest must be reviewed and approved (1) by the Board or the Nominating Committee if involving a Director, (2) by the Board or the Audit Committee if involving an executive officer, or (3) by the full Board if involving a significant shareholder. The Board or appropriate Committee considers relevant facts and circumstances, which may include, without limitation, the commercial reasonableness of the terms, the benefit to the Company, opportunity costs of alternate transactions, the materiality and character of the Related Person s direct or indirect interest, and the actual or apparent conflict of interest of the Related Person. A transaction may be approved if it is determined, in the Board s or appropriate Committee s reasonable business judgment, that the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders, and considering the interests of other relevant constituents, when deemed appropriate. Determinations of materiality are made by the full Board or appropriate Committee, as applicable.

Board s Role in the Oversight of Risk

The Company relies on its comprehensive enterprise risk management (ERM) process to aggregate, monitor, measure and manage risk. The ERM process is dynamic and ongoing. It is designed to identify the most important risks facing the Company as well as to prioritize those risks in the context of the Company s overall strategy. The Company s ERM team is led by the Company s Chief Enterprise Risk Officer, who is also the Company s Chief Financial Officer. In collaboration with the Audit Committee and the Board, the ERM team annually conducts a risk assessment of the Company s businesses. All of our key business leaders are involved in the risk assessment. The risk assessment is presented to, and reviewed by, the Audit Committee and, after reflecting the Audit Committee s views, the list of enterprise risks is then reviewed and approved by the full Board. As part of their reviews, the Audit Committee and the Board consider the internal governance structure for managing risks, and the Board assigns responsibility for ongoing oversight of each identified risk to a specific Committee of the Board or to the full Board. Discussions of assigned risks are then incorporated into the agenda for each Committee (or the Board) throughout the year. Risk management is ongoing, and the importance assigned to identified risks can change and new risks can emerge during the year as the Company develops and implements its strategy. Consequently, our Chief Enterprise Risk Officer, in consultation with the Chairman and Chief Executive Officer, monitors risk management and mitigation activities across the organization throughout the year and reports regularly to the Audit Committee and the Board concerning the Company s risk management activities. The Audit Committee meets regularly in private sessions with the Company s Chief Enterprise Risk Officer.

Board and Committee Membership; Committee Descriptions

Aetna s Board oversees and guides the Company s management and its business. Committees support the role of the Board on issues that are better addressed by a smaller, more focused subset of Directors.

The following table presents, as of March 26, 2010, the key standing Committees of the Board, the membership of such Committees and the number of times each such Committee met in 2009. Board Committee Charters adopted by the Board for each of the six Committees listed below are available at www.aetna.com/governance.

	Board Committee					
Nominee/Director	**Audit**	**Compensation and Organization**	**Executive**	**Investment and Finance**	**Medical Affairs**	**Nominating and Corporate Governance**
Frank M. Clark		X			X	
Betsy Z. Cohen		X*	X	X		
Molly J. Coye, M.D.				X	X	
Roger N. Farah		X		X		
Barbara Hackman Franklin		X	X			X*
Jeffrey E. Garten		X			X	
Earl G. Graves	X		X			X
Gerald Greenwald			X	X*		X
Ellen M. Hancock	X					X
Richard J. Harrington	X			X		
Edward J. Ludwig	X*		X			X
Joseph P. Newhouse	X		X		X*	
Ronald A. Williams			X*	X		
Number of Meetings in 2009	10	6	0	7	6	5

* Committee Chairman

The functions and responsibilities of the key standing Committees of Aetna s Board are described below.

Audit Committee. The Board has determined in its business judgment that all members of the Audit Committee meet the independence, financial literacy and expertise requirements for audit committee members set forth in the NYSE listing standards. Additionally, the Board has determined in its business judgment that each Audit Committee member, based on his or her background and experience (including that described in this Proxy Statement), has the requisite attributes of an audit committee financial expert as defined by the SEC. The Audit Committee assists the Board in its oversight of (1) the integrity of the financial statements of the Company, (2) the qualifications and independence of the Company s independent registered public accounting firm (the Independent Accountants), (3) the performance of the Company s internal audit function and the Independent Accountants, and (4) the compliance by the Company with legal and regulatory requirements. The Audit Committee periodically discusses management s policies with respect to risk assessment and risk management, and periodically discusses with the Company s independent registered public accounting firm, management and Internal Audit department significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the Independent Accountants and any other accounting firm engaged to perform audit, review or attest services (including the resolution of any disagreements between management and any auditor regarding financial reporting). The Independent Accountants and any other such accounting firm report directly to the Audit Committee. The Audit Committee is empowered, to the extent it deems necessary or appropriate, to retain outside legal, accounting or other advisers having special competence as necessary to assist it in fulfilling its responsibilities and duties. The Audit Committee has available from the Company such funding as the Audit Committee determines for compensation to the Independent Accountants and any other accounting firm or other advisers engaged by the Audit Committee, and for the Audit Committee s ordinary administrative expenses. The Audit Committee conducts an annual evaluation of its performance. For more information regarding the role, responsibilities and limitations of the Audit Committee, please refer to the Report of the Audit Committee beginning on page 72.

The Audit Committee can be confidentially contacted by employees and others wishing to raise concerns or complaints about the Company s accounting, internal accounting controls or auditing matters by calling AlertLine®, an independent toll-free service, at 1-888-891-8910 (available seven days a week, 24 hours a day), or by writing to: Aetna Inc. Audit Committee, c/o Corporate Compliance, P.O. Box 370205, West Hartford, CT 06137-0205.

Committee on Compensation and Organization. The Board has determined in its business judgment that all members of the Compensation Committee meet the independence requirements set forth in the NYSE listing standards and in Aetna s Director Independence Standards. The Compensation Committee is directly responsible for reviewing and approving the corporate goals and objectives relevant to Chief Executive Officer and other executive officer compensation; evaluating the Chief Executive Officer s and other executive officers performance in light of those goals and objectives; and establishing the Chief Executive Officer s and other executive officers compensation levels based on this evaluation. The Chief Executive Officer s compensation is determined after reviewing the Chief Executive Officer s performance and consulting with the nonmanagement Directors of the full Board. The Compensation Committee also evaluates and determines the compensation of the Company s executive officers and oversees the compensation and benefit plans, policies and programs of the Company. The Compensation Committee consults with the Chief Executive Officer regarding the compensation of all executive officers other than the Chief Executive Officer, but the Compensation Committee does not delegate its authority with regard to these executive compensation decisions. The Compensation Committee also administers Aetna s stock-based incentive plans and Aetna s 2001 Annual Incentive Plan. The Compensation Committee reviews and makes recommendations, as appropriate, to the Board as to the development and succession plans for the senior management of the Company. The Committee conducts an annual evaluation of its performance.

The Compensation Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Compensation Committee has the sole authority to select, retain and terminate any consultant used to assist the Compensation Committee and has the sole authority to approve each consultant s fees and other retention terms. In accordance with this authority, the Compensation Committee engages Frederic W. Cook & Co., Inc. (Cook) as an independent outside compensation consultant to advise the Compensation Committee on all matters related to Chief Executive Officer and other executive compensation. The Company may not engage Cook for any services other than in support of the Compensation Committee without the prior approval of the Chairman of the Compensation Committee. Cook also advises the Nominating Committee regarding Director compensation. The Company does not engage Cook for any services other than in support of these Committees. A representative of Cook attended five of the Compensation Committee s meetings in 2009.

Executive Committee. This Committee is authorized to act on behalf of the full Board between regularly scheduled Board meetings, usually when timing is critical. The Executive Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate.

Investment and Finance Committee. This Committee assists the Board in reviewing the Company s investment policies, strategies, transactions and performance and in overseeing the Company s capital and financial resources. The Investment and Finance Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Investment and Finance Committee conducts an annual evaluation of its performance.

Medical Affairs Committee. This Committee provides general oversight of Company policies and practices that relate to providing the Company s members with access to cost-effective, quality health care. The Medical Affairs Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. The Medical Affairs Committee conducts an annual evaluation of its performance.

Nominating and Corporate Governance Committee. The Board has determined in its business judgment that all members of the Nominating Committee meet the independence requirements set forth in the NYSE listing standards and in Aetna s Director Independence Standards. The Nominating Committee assists the Board in identifying individuals qualified to become Board members, consistent with criteria approved by the Board; oversees the organization of the Board to discharge the Board s duties and responsibilities properly and efficiently; and identifies best practices and recommends to the Board corporate governance principles. Other specific duties and responsibilities of the Nominating Committee include: annually assessing the size and composition of the Board; annually reviewing and recommending Directors for continued service; reviewing the compensation of, and benefits for, Directors; recommending the retirement policy for Directors; coordinating and assisting the Board in recruiting new members to the Board; reviewing potential conflicts of interest or other issues arising out of other positions held or proposed to be held by, or any changes in circumstances of, a Director; recommending Board Committee assignments; overseeing the annual evaluation of the Board; conducting an annual performance evaluation of the Nominating Committee; conducting a preliminary review of Director independence and the financial literacy and expertise of Audit Committee members; and interpreting, as well as reviewing any proposed waiver of, Aetna s Code of Conduct, the code of business conduct and ethics applicable to Directors. The Nominating Committee has the authority to retain counsel and other experts or consultants as it may deem appropriate. Further, the Nominating Committee has the sole authority to select, retain and terminate any search firm used to identify Director candidates and to approve the search firm s fees and other retention terms.

The Board makes all Director compensation determinations after considering the recommendations of the Nominating Committee. In setting Director compensation, both the Nominating Committee and the Board review director compensation data obtained from Cook, but neither the Nominating Committee nor the Board delegates any Director compensation decision making authority. Cook advises the Nominating Committee regarding Director compensation.

Consideration of Director Nominees

Shareholder Nominees. The Nominating Committee will consider properly submitted shareholder nominations for candidates for membership on the Board as described on page 18 under Director Qualifications and Identifying and Evaluating Nominees for Director. Any shareholder nominations of candidates proposed for consideration by the Nominating Committee should include the nominee s name and qualifications for Board membership, and otherwise comply with applicable rules and regulations, and should be addressed to:

Corporate Secretary

Aetna Inc.
151 Farmington Avenue, RC61
Hartford, CT 06156

In addition, Aetna s By-Laws permit shareholders to nominate Directors for consideration at a meeting of shareholders at which one or more Directors are to be elected. For a description of the process for nominating Directors in accordance with Aetna s By-Laws, see CAN I PROPOSE ACTIONS FOR CONSIDERATION AT NEXT YEAR S ANNUAL MEETING OF SHAREHOLDERS OR NOMINATE INDIVIDUALS TO SERVE AS DIRECTORS? on page 8.

Director Qualifications. The Nominating Committee Charter sets out the criteria weighed by the Committee in considering all Director candidates, including shareholder-identified candidates. The criteria are re-evaluated periodically and currently include: the relevance of the candidate s experience to the business of the Company; enhancing the diversity of the Board; the candidate s independence from conflict or direct economic relationship with the Company; and the candidate s ability to attend Board meetings regularly and devote an appropriate amount of effort in preparation for those meetings. It also is expected that nonmanagement Directors nominated by the Board are individuals who possess a reputation and hold positions or affiliations befitting a director of a large publicly held company, and are actively engaged in their occupations or professions or are otherwise regularly involved in the business, professional or academic community.

Diversity. The Nominating Committee believes that, in addition to the traditional concepts of diversity (e.g., gender, race and ethnicity), it also is important to achieve a diversity of knowledge, experience and capabilities on the Board that supports the Company s strategic direction. The Nominating Committee and the Board believe that having a Board of Directors with a broad background of skills, perspectives, and experiences is crucial to enhancing the quality of Board decision making and governance. As a result, identifying Director candidates with diverse experiences, qualifications and skills that complement those already present on the Board has been and will continue to be central to the Committee s Director nomination process. Although the Board does not have a formal diversity policy, our Directors come from many different fields, including, academia, technology, manufacturing, retail, service, not-for-profit and regulatory. We also currently have four women Directors and three African American Directors.

The specific experiences, qualifications, attributes and skills that the Nominating Committee and the Board believe each Nominee possesses are set forth below each Nominee s biography beginning on page 19.

Identifying and Evaluating Nominees for Director. The Nominating Committee uses a variety of methods for identifying and evaluating nominees for Director. In recommending Director nominees to the Board, the Nominating Committee solicits candidate recommendations from its own members, other Directors and management. It also may engage the services and pay the fees of a professional search firm to assist it in identifying potential Director nominees. The Nominating Committee also reviews materials provided by professional search firms or other parties in connection with its consideration of nominees. The Nominating Committee regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, the Nominating Committee considers whether to fill those vacancies and, if applicable, considers various potential Director candidates. These candidates are evaluated against the current Director criteria at regular or special meetings of the Nominating Committee and may be considered at any point during the year. As described above, the Nominating Committee will consider properly submitted shareholder nominations for candidates for the Board. Following verification of the shareholder status of the person(s) proposing a candidate, a shareholder nominee will be considered by the Nominating Committee at a meeting of the Nominating Committee. If any materials are provided by a shareholder in connection with the nomination of a Director candidate, such materials are forwarded to the Nominating Committee.

The Board and the Nominating Committee each assessed the characteristics and performance of the individual Directors standing for election to the Board at the 2010 Annual Meeting against the foregoing criteria, and, to the extent applicable, considered the impact of any change in the principal occupations of all Directors during the last year. Upon completion of this evaluation process, the Nominating Committee reported to the full Board its conclusions and recommendations for nominations to the Board, and the Board nominated the 13 Director nominees named in this Proxy Statement based on that recommendation.

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I. Election of Directors

Aetna will nominate 13 individuals for election as Directors at the Annual Meeting (the Nominees). The terms of office for the Directors elected at this meeting will run until the next Annual Meeting and until their successors are duly elected and qualified. The Nominating Committee recommended the 13 Nominees for nomination by the full Board. Based on that recommendation, the Board nominated each of the Nominees for election at the Annual Meeting.

All Nominees are currently Directors of Aetna. The following pages list the names and ages of the Nominees as of the date of the Annual Meeting, the year each first became a Director of Aetna or one of its predecessors, the principal occupation of each Nominee as of March 26, 2010, the publicly traded company directorships and certain other directorships held by each Nominee for the past five years, a brief description of the business experience of each Nominee for at least the last five years, and the specific experience, qualifications, attributes and skills that each Nominee possesses. The specific experience, qualifications, attributes and skills listed below for each Nominee are in addition to the individual qualifications required for all nominees as outlined under Director Qualifications on page 18.

Each of the 13 individuals (or such lesser number if the Board has reduced the number of Directors to be elected at the Annual Meeting as described beginning on page 7 under WHAT IF A DIRECTOR NOMINEE IS UNWILLING OR UNABLE TO SERVE?) who receives more for votes than against votes cast at the Annual Meeting will be elected Directors. In addition, as described in more detail on page 10 under Director Elections Majority Voting Standard, Aetna s Corporate Governance Guidelines require any incumbent nominee for Director in an uncontested election who receives more against votes than for votes to promptly submit his or her resignation for consideration by the Nominating Committee. The Nominating Committee and the Board are then required to act on the resignation, in each case within a reasonable period of time.

The Board recommends a vote FOR each of the 13 Nominees. If you complete the enclosed proxy card, unless you direct to the contrary on that card, the shares represented by that proxy card will be voted FOR the election of all 13 Nominees.

Nominees for Directorships

Director since 2006	***Frank M. Clark***, age 64, is Chairman and Chief Executive Officer of Commonwealth Edison Company (ComEd) (an electric energy distribution subsidiary of Exelon Corporation), a position he has held since November 2005. Mr. Clark served as President of ComEd from October 2001 to 2005 and served as Executive Vice President and Chief of Staff to the Exelon Corporation Chairman from 2004 to 2005. Since joining ComEd in 1966, Mr. Clark has risen steadily through the ranks, holding key leadership positions in operational and policy-related responsibilities, including regulatory and governmental affairs, customer service operations, marketing and sales, information technology, human resources and labor relations, and distribution support services. Mr. Clark is a director of Harris Financial Corporation (financial services) and Waste Management, Inc. (waste disposal services). Mr. Clark served as a director of Shore Bank from February 2004 to March 2005.

Experience, Qualifications, Attributes and Skills

Mr. Clark brings to the Board a broad background of senior leadership experience, gained from his over 40 years of service with ComEd and Exelon Corporation. He possesses significant management ability and business acumen. His current position as Chairman and CEO of ComEd gives Mr. Clark critical insights into the operational issues facing a large, public company. We believe that as an experienced manager in an intense customer service business, his knowledge of customer relations, marketing and human resources offers the Board important perspectives on similar issues affecting the Company. Mr. Clark possesses significant public company board experience and serves as a director of Waste Management, Inc. Mr. Clark also serves on two subsidiary boards of directors, ComEd and Harris Financial Corporation.

Director of Aetna
or its predecessors since 1994

Betsy Z. Cohen, age 68, is Chairman and a trustee of RAIT Financial Trust (real estate investment trust), a position she assumed in August 1997. Until December 11, 2006, she also held the position of Chief Executive Officer. Since September 2000, she also has served as Chief Executive Officer of The Bancorp, Inc. (financial holding company) and its subsidiary, The Bancorp Bank (Internet banking and financial services), and served as Chairman of The Bancorp Bank from November 2003 to February 2004. From 1999 to 2000, Mrs. Cohen also served as a director of Hudson United Bancorp (holding company), the successor to JeffBanks, Inc., where she had been Chairman and Chief Executive Officer since its inception in 1981 and also served as Chairman and Chief Executive Officer of its subsidiaries, Jefferson Bank (which she founded in 1974) and Jefferson Bank New Jersey (which she founded in 1987) prior to JeffBanks merger with Hudson United Bancorp in December 1999. From 1985 until 1993, Mrs. Cohen was a director of First Union Corp. of Virginia (bank holding company) and its predecessor, Dominion Bankshares, Inc. In 1969, Mrs. Cohen co-founded a commercial law firm and served as a Senior Partner until 1984. Mrs. Cohen served as a director of Maine Merchant Bank LLC from 1997 to May 2005.

Experience, Qualifications, Attributes and Skills

Mrs. Cohen brings to the Board a broad and diverse background in the financial services industry, having founded and successfully led financial institutions both in the U.S. and abroad. We believe that she possesses extensive leadership and business management expertise focused on the financial industry, an important knowledge base for the Board. Her experience as Chairman and CEO of several institutions, including JeffBanks, Inc., one of Philadelphia s largest financial institutions, positions her well to serve as the chair of our Committee on Compensation and Organization. Ms. Cohen has extensive financial and real estate investment expertise and has been recognized both nationally and internationally for her business acumen and leadership skills.

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Director since 2005

Molly J. Coye, M.D., age 63, became a Senior Advisor with the Public Health Institute on January 1, 2010. Prior to assuming her current position, Dr. Coye served as President and Chief Executive Officer of CalRHIO (non-profit California health information exchange organization) and Chief Executive Officer of the Health Technology Center (non-profit education and research organization), which she founded in December 2000. Before that, Dr. Coye served in both the public and private sectors: Senior Vice President of the West Coast Office of The Lewin Group (consulting) from 1997 to December 2000; Executive Vice President, Strategic Development, of HealthDesk Corporation from 1996 to 1997; Senior Vice President, Clinical Operations, Good Samaritan Health Hospital from 1993 to 1996; Director of the California Department of Health Services from 1991 to 1993; Head of the Division of Public Health, Department of Health Policy and Management, Johns Hopkins School of Hygiene and Public Health from 1990 to 1991; Commissioner of Health of the New Jersey State Department of Health from 1986 to 1989; Special Advisor for Health and the Environment, State of New Jersey Office of the Governor from 1985 to 1986; and National Institute for Occupational Safety and Health Medical Investigative Officer from 1980 to 1985. She also is chair of PATH (non-profit research and development organization) and serves as an advisor to the Health Evolution Partners Innovation Network, a health-related investment fund. Dr. Coye also serves on the Board of Directors of Aetna Foundation, Inc.

Experience, Qualifications, Attributes and Skills

We believe that Dr. Coye brings to the Board significant clinical, health policy and health-related technology expertise. She has developed this expertise through over 30 years of service in the public and private health care sectors, where she has managed major research studies, led health technology initiatives and held several senior advisory roles. Her in-depth knowledge of innovative health information technology provides the Board with valuable insights into an area of growing importance to the Company.

Director since 2007

Roger N. Farah, age 57, has been President, Chief Operating Officer and a Director of Polo Ralph Lauren Corporation (lifestyle products) since April 2000. Prior to that, he served as Chairman of the Board of Venator Group, Inc. (now Foot Locker, Inc.) from December 1994 to April 2000, and as its Chief Executive Officer from December 1994 to August 1999. Mr. Farah served as President and Chief Operating Officer of R.H. Macy & Co., Inc. (retailing) from July 1994 to October 1994. From June 1991 to July 1994, he was Chairman and Chief Executive Officer of Federated Merchandising Services (retailing), the central buying and product development arm of Federated Department Stores, Inc. (retailing). From 1988 to 1991, Mr. Farah served as Chairman and Chief Executive Officer of Rich s/Goldsmith s Department Stores (retailing) and President of Rich s/Goldsmith s Department Stores from 1987 to 1988. He held a number of positions of increasing responsibility at Saks Fifth Avenue, Inc. (retailing) from 1975 to 1987. Mr. Farah is a director of The Progressive Corporation (auto insurance). He also served as a director of Toys R Us, Inc. from September 2001 to May 2006.

Experience, Qualifications, Attributes and Skills

We believe that Mr. Farah brings to the Board extensive business and leadership experience. He has strong marketing, brand management and consumer insights developed in his over 30 years of experience in the retail industry. His current position as chief operating officer of Polo Ralph Lauren Corporation gives Mr. Farah an important perspective on the complex financial and operational issues facing the Company. He also possesses significant public company experience as demonstrated by his past and current service on a number of public company boards, including Polo Ralph Lauren Corporation and The Progressive Corporation.

Director of Aetna
or its predecessors from 1979 to 1992
and since 1993

Barbara Hackman Franklin, age 70, is President and Chief Executive Officer of Barbara Franklin Enterprises (private international consulting firm). From 1992 to 1993, she served as the 29th U.S. Secretary of Commerce. Prior to that appointment, Ms. Franklin was President and Chief Executive Officer of Franklin Associates (management consulting firm), which she founded in 1984. She has received the John J. McCloy Award for contributions to audit excellence, the Director of the Year Award from the National Association of Corporate Directors, an Outstanding Director Award from the Outstanding Director Exchange, and was named by Directorship Magazine as one of the 100 most influential people in governance. Ms. Franklin was Senior Fellow of The Wharton School of Business from 1979 to 1988, an original Commissioner and Vice Chair of the U.S. Consumer Product Safety Commission from 1973 to 1979, and a Staff Assistant to the President of the United States from 1971 to 1973. Earlier, she was an executive at Citibank and the Singer Company. Ms. Franklin is a director of The Dow Chemical Company (chemicals, plastics and agricultural products) and is also a director or trustee of three funds in the American Funds family of mutual funds and a director of J.P. Morgan Value Opportunities Fund. She is Chairman of the National Association of Corporate Directors, Chairman Emerita of the Economic Club of New York, a director of the US-China Business Council, and the Atlantic Council. Ms. Franklin is a regular commentator on the PBS *Nightly Business Report*. Ms. Franklin served as a director of MedImmune, Inc. from November 1995 to June 2007, GenVec, Inc. from October 2002 to April 2007, and Milacron Inc. from July 1996 to May 2005.

Experience, Qualifications, Attributes and Skills

We believe that Ms. Franklin brings to the Board a wealth of business and leadership experience from her private and public sector accomplishments over more than 40 years. She is a recognized expert on corporate governance, auditing and financial reporting matters whose expertise has helped the Board navigate the changing governance landscape. Her extensive, senior-level government service (Cabinet, regulatory commission, White House) provides the Board with unique perspectives into the political, regulatory, and international environment affecting the Company. Ms. Franklin also possesses significant public company experience as demonstrated by her past service on fourteen public company boards, including Dow Chemical and Aetna Inc. She has served as a presiding director and the chair of audit, ethics and governance committees. Her experience positions her well to serve as chair of our Nominating and Corporate Governance Committee.

Director of Aetna
or its predecessors since 2000

Jeffrey E. Garten, age 63, is the Juan Trippe Professor in the Practice of International Trade, Finance and Business at Yale University since July 1, 2005, having served as the Dean of the Yale School of Management since 1995. He also is Chairman of Garten Rothkopf (global consulting firm), a position he assumed in October 2005. Mr. Garten held senior posts on the White House staff and at the U.S. Department of State from 1973 to 1979. He joined Shearson Lehman Brothers (investment banking) in 1979 and served as Managing Director from 1984 to 1987. In 1987, Mr. Garten founded Eliot Group, Inc. (investment banking) and served as President until 1990, when he became Managing Director of The Blackstone Group (private merchant bank). From 1992 to 1993, Mr. Garten was Professor of Finance and Economics at Columbia University s Graduate School of Business. He was appointed U.S. Under Secretary of Commerce for International Trade in 1993 and served in that position until 1995. Mr. Garten is a director of CarMax, Inc. (automotive retailer) and is also a director of 13 Credit Suisse mutual funds. He is the author of *A Cold Peace: America, Japan, Germany and the Struggle for Supremacy*; *The Big Ten: Big Emerging Markets and How They Will Change Our Lives*; *The Mind of the CEO*; and *The Politics of Fortune: A New Agenda for Business Leaders*. Mr. Garten is a director of The Conference Board and the International Rescue Committee. He also serves on the Board of Directors of Aetna Foundation, Inc. Mr. Garten served as a director of Alcan Inc. from February 2007 to November 2007 and Calpine Corporation from January 1997 to September 2005.

Experience, Qualifications, Attributes and Skills

We believe that Mr. Garten brings to the Board extensive experience in global investment banking and many years of government service during which he held senior policy positions that focused on trade and investment. His background includes work with corporations in the United States and abroad, Congress, regulatory agencies and foreign governments. He possesses significant business and leadership experience as the former Dean of the Yale School of Management and as a current principal of Garten Rothkopf, an international consulting firm. Mr. Garten is a recognized expert on finance and international trade, and has written extensively on leadership, the relationship between business and government and the challenges of operating in a global marketplace. His experience leading a national working group on accounting standards and as a former advisor to the Public Company Accounting Oversight Board provides him with a thorough understanding of accounting issues. Mr. Garten also possesses significant public company experience as demonstrated by his service on the boards of CarMax and previously Calpine Corporation, among others.

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Director of Aetna
or its predecessors since 1994

Earl G. Graves, Sr., age 75, is Chairman of Earl G. Graves, Ltd. (a multimedia company with properties in television, radio, events, digital media and the Internet), having served as Chairman and Chief Executive Officer since 1972. He is the Managing Partner of Graves Ventures, Inc. and also the Publisher of *Black Enterprise* magazine, which he founded in 1970. Additionally, since 1998, Mr. Graves has been a Managing Director of Black Enterprise/Greenwich Street Corporate Growth Partners, L.P. Mr. Graves is a trustee of Howard University, a member of the Executive Board and Executive Committee of the National Office of the Boy Scouts of America and a Fellow of the American Academy of Arts & Sciences. He also serves on the Board of Directors of Aetna Foundation, Inc. and the Black Enterprise B.R.I.D.G.E. Foundation. Mr. Graves has worked to foster the growth of a vibrant African American business community. He is the author of the *New York Times* bestseller *How to Succeed in Business without Being White* and is the recipient of more than 60 honorary degrees and numerous awards for his business success and civic contributions. Mr. Graves was named by *Fortune Magazine* as one of the 50 most powerful and influential African Americans in corporate America and is the subject of an exhibit in The National Great Blacks in Wax Museum in Baltimore, Maryland. In 1990, Mr. Graves was awarded the 84th NAACP Spingarn Medal, the highest achievement award for African Americans. In 1995, his alma mater, Morgan State University, renamed its business school the Earl G. Graves School of Business and Management. In August 2006, Mr. Graves received the Lifetime Achievement Award from the National Association of Black Journalists for his contributions to the field of journalism and the publishing industry. In 2006, civil rights activist and founding Black Enterprise Board of Advisors member Julian Bond interviewed Graves for *An Evening with Earl Graves*, a program produced for The HistoryMakers that aired on the PBS network in February 2007. On April 26, 2007, Mr. Graves was inducted into the Junior Achievement Worldwide U.S. Business Hall of Fame for his outstanding contributions to free enterprise and to society. Mr. Graves served as a director of AMR Corp. and American Airlines from April 1995 to March 2008, Federated Department Stores from May 1994 to July 2005, and Rohm and Haas Company from 1984 to May 2005. Mr. Graves served as a member of the Supervisory Board of DaimlerChrysler AG from 2001 to 2007, having served as a director of its predecessor, Chrysler Corporation and as Chairman of Pepsi African American Advisory Board from 1999 to 2008.

Experience, Qualifications, Attributes and Skills

Mr. Graves brings to the Board a distinguished career in the communications business, highlighted by his entrepreneurial business and professional experiences. We believe that Mr. Graves is an established leader in encouraging business growth, with strong marketing, consumer and brand insights developed over 35 years. Mr. Graves possesses significant public company board experience as demonstrated by his past service on numerous boards, including American Airlines and Chrysler Corporation, among others.

Director of Aetna
or its predecessors since 1993

Gerald Greenwald, age 74, is a founding principal of the Greenbriar Equity Group (invests in the global transportation industry). Mr. Greenwald retired in July 1999 as Chairman and Chief Executive Officer of UAL Corporation and United Airlines (UAL), its principal subsidiary, having served in those positions since July 1994. Mr. Greenwald held various executive positions with Chrysler Corporation (automotive manufacturer) from 1979 to 1990, serving as Vice Chairman of the Board from 1989 to May 1990 and as Chairman of Chrysler Motors from 1985 to 1988. In 1990, Mr. Greenwald was selected to serve as Chief Executive Officer of United Employee Acquisition Corporation in connection with the proposed 1990 employee acquisition of UAL. From 1991 to 1992, he was a Managing Director of Dillon Read & Co., Inc. (investment banking) and, from 1992 to 1993, he was President and Deputy Chief Executive Officer of Olympia & York Developments Ltd. (Canadian real estate company). Mr. Greenwald then served as Chairman and Managing Director of Tatra Truck Company (truck manufacturer in the Czech Republic) from 1993 to 1994. He also is a trustee of the Aspen Institute and a member of an Advisory Council of The RAND Corporation. Mr. Greenwald served as a director of Internet Brands, Inc. from September 1999 to May 2008, Sentigen Holding Corporation from June 2001 to December 2006, and Calpine Corporation from July 2001 to December 2005.

Experience, Qualifications, Attributes and Skills

We believe that Mr. Greenwald brings to the Board extensive financial and management experience obtained through over 30 years of business experience, primarily in the transportation industries. His experience leading several major public companies gives him important knowledge and insight into the complex issues facing the Company, in particular on the operational, financial and corporate governance fronts. These experiences provide Mr. Greenwald with a thorough understanding of and appreciation for the role of the Board and position him well to serve as our Presiding Director and Chair of our Investment and Finance Committee. Mr. Greenwald also possesses significant public company board experience as demonstrated by his past service on the boards of Reynolds

Metals Company, Time Warner Inc. and Honeywell International Inc., among others.

Director of Aetna
or its predecessors since 1995

Ellen M. Hancock, age 67, served as the President of Jazz Technologies, Inc. and President and Chief Operating Officer of its predecessor, Acquicor Technology Inc., from August 2005 to June 2007. Prior to its merger with Jazz Semiconductor, Inc., a wafer foundry, in February 2007, Jazz Technologies (then known as Acquicor) was a blank check company formed for the purpose of acquiring businesses in the technology, multimedia and networking sector. Mrs. Hancock previously served as Chairman of the Board and Chief Executive Officer of Exodus Communications, Inc. (Internet system and network management services). She joined Exodus in March 1998 and served as Chairman from June 2000 to September 2001, Chief Executive Officer from September 1998 to September 2001, and President from March 1998 to June 2000. Mrs. Hancock held various staff, managerial and executive positions at International Business Machines Corporation (information-handling systems, equipment and services) from 1966 to 1995. She became a Vice President of IBM in 1985 and served as President, Communication Products Division, from 1986 to 1988, when she was named General Manager, Networking Systems. Mrs. Hancock was elected an IBM Senior Vice President in November 1992, and in 1993 was appointed Senior Vice President and Group Executive, which position she held until February 1995. Mrs. Hancock served as an Executive Vice President and Chief Operating Officer of National Semiconductor Corporation (semiconductors) from September 1995 to May 1996, and served as Executive Vice President for Research and Development and Chief Technology Officer of Apple Computer, Inc. (personal computers) from July 1996 to July 1997. Mrs. Hancock is a director of Colgate-Palmolive Company (consumer products). Mrs. Hancock served as a director of Watchguard Technologies, Inc. from April 2003 to May 2006, Electronic Data Systems Corporation from February 2004 to August 2008, and Acquicor Technology, Inc. from February 2006 to June 2007.

Experience, Qualifications, Attributes and Skills

We believe that Mrs. Hancock brings to the Board highly relevant experience in the field of information technology and consumer products, where she has held senior leadership positions and also led a start-up company. Her technology background provides the Board with an important perspective on the health technology challenges and opportunities of the Company. Mrs. Hancock also has significant public company experience as demonstrated by her service as a director of Colgate-Palmolive Company and prior service with Electronic Data Systems, among others.

Director since 2008

Richard J. Harrington, age 63, served as President and Chief Executive Officer of The Thomson Corporation (business technology and integrated information solutions) prior to its acquisition by Reuters Group PLC in April 2008. From April 2008 to October 2009, he served as Chairman of the Thomson Reuters Foundation. He currently serves as Chairman of The Cue Ball Group (a venture capital firm). Mr. Harrington held a number of senior leadership positions within Thomson since 1982, including CEO of Thomson Newspapers, and CEO of Thomson Professional Publishing. Mr. Harrington began his professional career with Arthur Young & Co. (public accounting firm) in 1972, where he became a licensed certified public accountant. In 2002, he was presented an Honorary Doctorate of Laws from University of Rhode Island. In 2007, he received the Legend in Leadership award from the Yale University Chief Executive Leadership Institute; the CEO of the Year award from the Executive Council, and the Man of the Year award from the National Executive Council for his many philanthropic activities. Mr. Harrington is a director of Xerox Corporation (document management, technology and service enterprise). He is also a director of Milliken & Co. and the University of Rhode Island Foundation.

Experience, Qualifications, Attributes and Skills

We believe that Mr. Harrington brings to the Board the skills and insights of a seasoned business leader with over 25 years experience in the business technology and information solutions area. He has strategic vision and leadership expertise, and led Thomson Corporation at the time of its merger with Reuters Group PLC. Mr. Harrington s experience in change management and strategic differentiation give the Board a unique perspective on these important issues. Mr. Harrington, who has worked as a certified public accountant, also chairs the audit committee of Xerox Corporation, a public company. These experiences enhance his role as a member of the Audit Committee.

Director since 2003

Edward J. Ludwig, age 59, serves as Chairman of the Board and Chief Executive Officer of Becton, Dickinson and Company (BD) (global medical technology company). He was elected Chairman of the Board in February 2002, Chief Executive Officer in January 2000 and served as President from May 1999 to December 31, 2008. Mr. Ludwig joined BD as a Senior Financial Analyst in 1979. Prior to joining BD, Mr. Ludwig served as a senior auditor with Coopers and Lybrand (now PricewaterhouseCoopers) and as a financial and strategic analyst at Kidde, Inc. He is a member of the Board of Trustees of the College of the Holy Cross and is a member and past Chair of the Health Advisory Board for the Johns Hopkins Bloomberg School of Public Health. He also chairs the Advisory Board of the Hackensack (NJ) University Medical Center and is a Board member and past Chair of Advanced Medical Technology Association (AdvaMed).

Experience, Qualifications, Attributes and Skills

We believe that Mr. Ludwig brings to the Board significant executive-level leadership experience and business expertise. His more than 30 years of experience in the field of medical technology give Mr. Ludwig a unique perspective on the Company s strategy. As an active CEO, Mr. Ludwig brings a thorough appreciation of the strategic and operational issues facing a large public company in the health care industry. Mr. Ludwig served as chief financial officer of a Fortune 500 company and has worked as a certified public accountant. He offers the Board a deep understanding of financial, accounting and audit-related issues. This experience enhances his role as Chair of the Audit Committee.

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Director since 2001

Joseph P. Newhouse, age 68, is the John D. MacArthur Professor of Health Policy and Management at Harvard University, a position he assumed in 1988. At Harvard, he also is the Director of the Division of Health Policy Research and Education, the Director of the Interfaculty Initiative on Health Policy, Chair of the Committee on Higher Degrees in Health Policy and a member of the faculties of the John F. Kennedy School of Government, the Harvard Medical School, the Harvard School of Public Health and the Faculty of Arts and Sciences. Prior to joining Harvard, Dr. Newhouse held various positions at The RAND Corporation from 1968 to 1988, serving as a faculty member of the RAND Graduate School from 1972 to 1988, as Deputy Program Manager for Health Sciences Research from 1971 to 1988, Senior Staff Economist from 1972 to 1981, Head of the Economics Department from 1981 to 1985 and as a Senior Corporate Fellow from 1985 to 1988. Dr. Newhouse is the Editor of the *Journal of Health Economics*, which he founded in 1981. He is a Faculty Research Associate of the National Bureau of Economic Research, a member of the Institute of Medicine of the National Academy of Sciences, a member of the *New England Journal of Medicine* Editorial Board, a fellow of the American Academy of Arts and Sciences, and a director of the National Committee for Quality Assurance. Dr. Newhouse is the author of *Free for All: Lessons from the RAND Health Insurance Experiment* and *Pricing the Priceless: A Health Care Conundrum*. He also serves on the Board of Directors of Aetna Foundation, Inc.

Experience, Qualifications, Attributes and Skills

We believe that Dr. Newhouse s over 40 years of experience in the health policy arena significantly enhances the Board s understanding of health policy issues, which is particularly important in the current public policy reform environment. He has written extensively on U.S. health policy matters, and he is a highly-regarded expert in economics and business. Dr. Newhouse s expertise in health policy and health care financing has enhanced the Board s understanding of these issues and positions him well to serve as Chair of the Company s Medical Affairs Committee.

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Director since 2002

Ronald A. Williams, age 60, is Chairman and Chief Executive Officer of Aetna. He was elected Chairman of Aetna on October 1, 2006, and Chief Executive Officer on February 14, 2006, having served as President of the Company from May 27, 2002 until July 24, 2007 and as Executive Vice President and Chief of Health Operations from March 15, 2001 until his appointment as President. Mr. Williams is a director of American Express Company (financial services), chairman and chief financial officer of the Council for Affordable Quality Healthcare, vice chairman of The Business Council and is a trustee of The Conference Board and the Connecticut Science Center Board. Mr. Williams also serves on the Massachusetts Institute of Technology North America Executive Board and is a member of MIT s Alfred P. Sloan Management Society. He also is a member of the Business Roundtable, the International Federation of Health Plans, the Healthcare Leadership Council and the National Intelligence Senior Advisory Group. Mr. Williams served as a director of Lucent Technologies, Inc. from October 2003 to November 2006.

Experience, Qualifications, Attributes and Skills

We believe that Mr. Williams brings to his position as Chairman and CEO extensive health care industry expertise, with over 25 years in the health care business. He has strong leadership skills and business experience, demonstrated as President and then Chairman and CEO of Aetna and in several prior executive-level positions. He is a well-recognized leader in the health care industry and possesses deep insights into health care issues as well as broad knowledge and appreciation of public policy issues affecting the Company. Mr. Williams also possesses significant public company experience as demonstrated by his service on the boards of Aetna Inc., American Express Company and, previously, Lucent Technologies, Inc.

Director Compensation Philosophy and Elements

Each year, the Nominating and Corporate Governance Committee of Aetna s Board of Directors reviews compensation for nonmanagement Directors and makes recommendations regarding the prospective level and composition of Director compensation to the full Board of Directors for its approval.

The Nominating Committee s goal is to develop a compensation program that:

- Attracts and retains qualified Directors;
- Recognizes Directors critical contributions; and
- Aligns, through the offering of stock-based compensation, the interests of Aetna s Directors with the long-term interests of our shareholders.

As part of their review, the Nominating Committee and the Board consider, among other factors, the Director compensation practices at a comparative group of public companies (the comparative group), based on market comparison studies prepared by an outside consultant, Frederic W. Cook & Co., Inc. (Cook). Cook also serves as the compensation consultant to the Committee on Compensation and Organization, as described on page 16.

The primary elements of Aetna s Director compensation program are annual cash retainer fees and annual restricted stock unit awards. Directors also receive certain benefits. Directors who are officers of Aetna receive no additional compensation for membership on the Board or any of its Committees. In 2009, the Presiding Director received no additional compensation for his service as Presiding Director.

Director Stock Ownership Guidelines

The Board has established Director Stock Ownership Guidelines under which each nonmanagement Director is required to own, within five years of joining the Board, shares of Common Stock or stock units having a dollar value equal to $400,000. As of March 19, 2010, all of Aetna s nonmanagement Directors are in compliance with these guidelines.

Aetna s Code of Conduct prohibits Directors from engaging in hedging strategies using puts, calls or other types of derivative securities based on the value of the Common Stock.

2009 Nonmanagement Director Compensation

For 2009, Director compensation for Aetna s nonmanagement Directors approximated the median level paid to nonmanagement directors in the prior year in the comparative group.

The 2009 comparative group is a blend of:

- Public health care companies consisting of Assurant, Inc., CIGNA Corporation, Coventry Health Care, Inc., Health Net, Inc., Humana Inc., UnitedHealth Group Incorporated and WellPoint, Inc.;
- The 2008 Frederic W. Cook & Co., Inc. Non-Employee Director Compensation Report of the 100 largest New York Stock Exchange companies; and

The NACD 2007/2008 Director Compensation Report for companies with revenues greater than $10 billion.

Details regarding retainer fees for Board and Committee service are set forth in footnote 1 to the 2009 Director Compensation Table on page 33.

The 2009 Director Compensation Table sets forth for 2009 the total compensation of each of the Directors. Actual compensation for any Director, and amounts shown in the 2009 Director Compensation Table, may vary by Director due to the Committees on which a Director serves and other factors described in footnote 3 to the 2009 Director Compensation Table on page 34.

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2009 Director Compensation Table

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)	All Other Compensation (3)	Total (4)
Frank M. Clark	$ 59,000	$ 160,011	$ 20,285	$ 239,296
Betsy Z. Cohen	68,000	160,011	13,583	241,594
Molly J. Coye, M.D.	58,000	160,011	22,885	240,896
Roger N. Farah	59,000	160,011	12,071	231,082
Barbara Hackman Franklin	69,000	160,011	13,583	242,594
Jeffrey E. Garten	59,000	160,011	17,485	236,496
Earl G. Graves	66,500	160,011	15,005	241,516
Gerald Greenwald	67,000	160,011	25,005	252,016
Ellen M. Hancock	62,500	160,011	13,583	236,094
Richard J. Harrington	61,500	160,011	13,190	234,701
Edward J. Ludwig	74,000	160,011	24,071	258,082
Joseph P. Newhouse	69,500	160,011	13,983	243,494

(1) The amounts shown in this column may include cash compensation that was deferred by Directors during 2009 under the Aetna Inc. Non-Employee Director Compensation Plan. See Additional Director Compensation Information beginning on page 34 for a discussion of Director compensation deferrals. Amounts in this column consist of one or more of the following:

Activity	Fees Earned or Paid in Cash
Annual Retainer Fee	$ 50,000
Chairman of the Audit Committee	15,000
Membership on the Audit Committee	7,500
Chairman of the Committee on Compensation and Organization	10,000
Membership on the Committee on Compensation and Organization	5,000
Chairman of the Nominating and Corporate Governance Committee	10,000
Membership on the Nominating and Corporate Governance Committee	5,000
Chairman of the Investment and Finance Committee	8,000
Chairman of the Medical Affairs Committee	8,000
Committee Membership (except as set forth above) (other than the Chairs)	4,000

(2) Amounts shown in this column represent the full grant date fair value for restricted stock units (RSUs) granted in 2009. On May 29, 2009, Aetna granted each nonmanagement Director then in office 5,975 RSUs. The full grant date fair value is calculated by multiplying the number of units granted times the closing price of our Common Stock on the date of grant. See Additional Director Compensation Information beginning on page 34 for a discussion of various stock unit awards and their respective deferrals.

As of December 31, 2009, the number of outstanding stock awards, consisting solely of RSUs, held by each Director was as follows: Frank M. Clark, 3,452; Betsy Z. Cohen, 3,452; Molly J. Coye, M.D., 3,452; Roger N. Farah, 2,988; Barbara Hackman Franklin, 3,452; Jeffrey E. Garten, 3,452; Earl G. Graves, 3,452; Gerald Greenwald, 3,452; Ellen M. Hancock, 3,452; Richard J. Harrington, 2,988; Edward J. Ludwig, 3,452; and Joseph P. Newhouse, 3,452. Refer to the Beneficial Ownership Table on page 38 for more information on Director holdings of the Common Stock.

(3) All Other Compensation consists of the items in the following table. See Additional Director Compensation Information below for a discussion of certain components of All Other Compensation.

	Group Life Insurance and Business Travel Accident Insurance Premiums	Charitable Award Program(a)	Matching Charitable Donations(b)	Total
Frank M. Clark	$ 1,190	$ 11,295	$ 7,800	$ 20,285
Betsy Z. Cohen	2,288	11,295	0	13,583
Molly J. Coye, M.D.	1,190	11,295	10,400	22,885
Roger N. Farah	776	11,295	0	12,071
Barbara Hackman Franklin	2,288	11,295	0	13,583
Jeffrey E. Garten	1,190	11,295	5,000	17,485
Earl G. Graves	3,710	11,295	0	15,005
Gerald Greenwald	3,710	11,295	10,000	25,005
Ellen M. Hancock	2,288	11,295	0	13,583
Richard J. Harrington	1,190	0	12,000	13,190
Edward J. Ludwig	776	11,295	12,000	24,071
Joseph P. Newhouse	2,288	11,295	400	13,983

(a) Refer to Director Charitable Award Program beginning on page 35 for information about the Charitable Award Program, which was discontinued for any new Director joining the Board after January 25, 2008. Amounts shown are pre-tax, and do not reflect the anticipated tax benefit to the Company from the charitable contributions under the Charitable Award Program. Directors derive no personal financial or tax benefit from the program.

(b) These amounts represent matching contributions made by the Aetna Foundation, Inc. pursuant to Aetna s charitable giving programs, which facilitate contributions by eligible persons toward charitable organizations. Under these programs, the Aetna Foundation, Inc. provides a match (100% in 2009) of contributions up to $10,000 per person per program year during the Company s annual Giving Campaign, and provides a prorated match (40% in 2009) of contributions up to $5,000 per person per program year at any other time during the calendar year. Amounts shown are pre-tax. These programs are available on the same basis to all Directors and full-time and part-time employees. Directors derive no personal financial or tax benefit from these programs.

(4) The Company has not granted stock appreciation rights (SARs) to nonmanagement Directors and has not granted stock options to nonmanagement Directors since 2004. Therefore, no amount associated with SARs or stock options is included in this column. As of December 31, 2009, the only outstanding options held by Directors were as follows: Betsy Z. Cohen, 55,200; Earl G. Graves, 55,200; Ellen M. Hancock, 26,735; Edward J. Ludwig, 14,000; and Joseph P. Newhouse, 35,068.

Additional Director Compensation Information

Director Deferrals

The amounts shown in the Fees Earned or Paid in Cash and Stock Awards columns of the 2009 Director Compensation Table include amounts that were deferred by Directors during 2009 under the Aetna Inc. Non-Employee Director Compensation Plan (the Director Plan or the 2000 Non-Employee Director Compensation Plan). Under the Director Plan, nonmanagement Directors may defer payment of some or all of their annual retainer fees, dividend equivalents paid on stock units and vested RSUs to an unfunded stock unit account or unfunded interest account until after they have resigned or retired (as defined in the Director Plan) from the Board or elect to diversify their stock unit holdings as described below.

During the period of deferral, amounts deferred to the stock unit account track the value of the Common Stock and earn dividend equivalents. During the period of deferral, amounts deferred to the interest account accrue interest pursuant to a formula equal to the rate of interest paid from time to time under the fixed interest rate fund option of the 401(k) Plan (4.1% per year for the period January to June 2010).

Under the Director Plan, beginning at age 68, Directors are allowed to make an annual election to diversify up to 100% of their voluntary deferrals into the stock unit account out of stock units and into an interest account. During 2009, no Directors made such a diversification election. Directors who make a diversification election remain subject to the Board s Director Stock Ownership Guidelines.

Stock Unit and Restricted Stock Unit Awards

Pursuant to the Director Plan, nonmanagement Directors, upon their initial election to the Board, receive a one-time grant of deferred stock units (Initial Units) convertible upon retirement from Board service into 6,000 shares of the Common Stock. Generally, to become fully vested in the Initial Units, a Director must complete three years of service following the grant. If service is sooner terminated by reason of death, disability, retirement or acceptance of a position in government service, a Director is entitled to receive the full grant if the Director has completed a minimum of six consecutive months of service as a Director from the date of grant.

A Director s right with respect to unvested units also will vest upon a change-in-control of Aetna (as defined in the Director Plan). If a Director terminates Board service prior to completion of one year of service from the grant date of any Initial Units that have not otherwise vested under the terms of the Director Plan, the Director will be entitled to receive a pro rata portion of the award. Although Directors receive dividend equivalents on the deferred stock units, they have no voting rights with respect to the units granted. The deferred stock units granted are not transferable.

On May 29, 2009, Aetna granted each nonmanagement Director then in office 5,975 RSUs under the Director Plan. The full grant date fair value of these RSUs was $160,011. The RSUs vest in quarterly increments over a one-year period beginning May 29, 2009, and are payable at the end of the one-year period in shares of the Common Stock or can be deferred under the Director Plan to a stock unit account or an interest account as described above. The RSUs granted to a nonmanagement Director will vest immediately if the Director ceases to be a Director because of death, disability, retirement or acceptance of a position in government service. All RSUs granted to nonmanagement Directors also will vest upon a change-in-control of Aetna (as defined in the Director Plan).

Director Charitable Award Program

Prior to January 26, 2008, Aetna maintained a Director Charitable Award Program (the Program) for nonmanagement Directors serving on the Board. After a review of the Program and competitive practices, the Board decided to close the Program, and any Director who first joins the Board after January 25, 2008 will not be eligible to participate. However, to recognize pre-existing commitments, the Program remains in place for Directors serving prior to that date. Under the Program, Aetna will make a charitable contribution of $1 million in ten equal annual installments allocated among up to five charitable organizations recommended by a participating Director once they reach age 72. For Mr. Farah, who joined the Board in 2007, contributions would occur once he reaches age 75. The Program may be funded indirectly by life insurance on the lives of the participating Directors. Mr. Harrington is not eligible to participate in the Program because he joined the Board after the Program closed to new Directors.

Beneficiary organizations recommended by Directors must be, among other things, tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code). Donations Aetna ultimately makes are expected to be deductible from taxable income for purposes of U.S. federal and other income taxes payable by Aetna. Directors derive no personal financial or tax benefit from the Program, since all insurance proceeds and charitable deductions accrue solely to Aetna.

The Charitable Award Program values included in footnote 3 to the 2009 Director Compensation Table on page 34 represent an estimate of the present value of the total annual economic net cost of the Program, pre-tax, for current and former Directors, allocated equally among the Directors still participating in the Program. The present value calculation considers estimates of (a) premiums paid on whole life insurance policies purchased with respect to certain of the Directors to fund part of the Program; (b) the expected future charitable contributions to be paid by Aetna on behalf of current and former Directors; (c) expenses associated with administering the Program; and (d) the expected future proceeds from such whole life insurance policies which are, in turn, based on expected mortality, as well as assumptions related to future investment returns of the policies. The discount rate applied in such present value calculation is 3.5%. The Program value decreased from the 2008 value primarily due to the additional funding that the Company contributed to the Program to ensure that no policies would lapse prior to benefit payment. This additional funding, coupled with the reduction in the discount rate, caused the net present value of future cash flows, which is used to value the cost of the Program, to be reduced in 2009.

Other Benefits

Aetna provides $150,000 of group life insurance and $100,000 of business travel accident insurance (which includes accidental death and dismemberment coverage) for its nonmanagement Directors. Optional medical, dental and long-term care coverage for nonmanagement Directors and their eligible dependents also is available to Directors at a cost similar to that charged to Aetna employees and may be continued into retirement by eligible Directors.

Aetna also reimburses nonmanagement Directors for the out-of-pocket expenses they incur that pertain to Board membership, including travel expenses incurred in connection with attending Board, Committee and shareholder meetings, and for other Aetna business-related expenses (including the business-related travel expenses of spouses if they are specifically invited to attend the event).

From time to time, Aetna also may transport Directors to and from Board meetings or Directors and their guests to and from other Aetna business functions on Company aircraft.

2010 Nonmanagement Director Compensation

Following a review with Cook, the Board set the value of cash and equity compensation for nonmanagement Directors for 2010 to be the same as their 2009 cash and equity compensation.

Certain Transactions and Relationships

Mrs. Hancock resigned as Chairman of the Board and Chief Executive Officer of Exodus Communications, Inc. on September 4, 2001. Exodus filed a voluntary petition under Chapter 11 of the federal bankruptcy laws on September 26, 2001.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors, our executive officers and certain other persons to file reports of holdings and transactions in our Common Stock with the SEC. Based on our records and other information, we believe that during our fiscal year ended December 31, 2009, our Directors and executive officers timely met all applicable SEC filing requirements, except that one late Form 4 was filed on behalf of Lonny Reisman, M.D., to report five separate purchases of Aetna stock by Dr. Reisman which collectively totaled 585 shares. These transactions were entered into on Dr. Reisman s behalf by his broker and were reported by Dr. Reisman as soon as they were brought to his attention.

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Security Ownership of Certain Beneficial Owners, Directors, Nominees and Executive Officers

The following table presents, as of December 31, 2009, the names of the only persons known to Aetna to be the beneficial owners of more than 5% of the outstanding shares of our Common Stock. The information set forth in the table below and in the related footnotes was furnished by the identified persons to the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	34,563,343 shares(1)	8.02%
Capital World Investors 333 South Hope Street Los Angeles, California 90071	32,736,600 shares(2)	7.60%
State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111	25,600,965 shares(3)	5.94%

(1) Of the reported shares of Common Stock, BlackRock, Inc. reports that it has sole voting and sole dispositive power with respect to 34,563,343 shares.

(2) Of the reported shares of Common Stock, Capital World Investors reports that it has sole voting power with respect to 3,656,600 shares and sole dispositive power with respect to 32,736,600 shares.

(3) Of the reported shares of Common Stock, State Street Corporation reports that it has shared voting and shared dispositive power with respect to 25,600,965 shares. Of the reported shares of the Common Stock, 10,182,755 shares are held by State Street in its capacity as the trustee of the 401(k) Plan.

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Beneficial Ownership Table

The following table presents, as of March 19, 2010, the beneficial ownership of, and other interests in, shares of our Common Stock of each current Director, each Nominee, each executive officer named in the 2009 Summary Compensation Table on page 55, and Aetna s Directors and executive officers as a group. The information set forth in the table below and in the related footnotes has been furnished by the respective persons.

	Amount and Nature of Beneficial Ownership			
Name of Beneficial Owner and Position	**Common Stock**	**Percent of Common Stock**	**Common Stock Equivalents**	**Total**
Frank M. Clark (current Director and Nominee)	1,000(1)	*	17,836(14)	18,836
Betsy Z. Cohen (current Director and Nominee)	71,484(2)	*	69,899(14)	141,383
Molly J. Coye, M.D. (current Director and Nominee)	3,642	*	19,572(14)	23,214
Roger N. Farah (current Director and Nominee)	3,000	*	19,855(14)	22,855
Barbara Hackman Franklin (current Director and Nominee)	21,623	*	45,691(14)	67,314
Jeffrey E. Garten (current Director and Nominee)	8,148(3)	*	30,731(14)	38,879
Earl G. Graves (current Director and Nominee)	57,200(2)	*	69,919(14)	127,119
Gerald Greenwald (current Director and Nominee)	8,848(4)	*	60,351(14)	69,199
Ellen M. Hancock (current Director and Nominee)	35,170(5)	*	109,110(14)	144,280
Richard J. Harrington (current Director and Nominee)	414	*	14,962(14)	15,376
Edward J. Ludwig (current Director and Nominee)	23,391(6)	*	34,645(14)	58,036
Joseph P. Newhouse (current Director and Nominee)	37,068(7)	*	48,573(14)	85,641
Ronald A. Williams (Chairman, Chief Executive Officer, current Director and Nominee)	7,473,850(8)	1.70%	1,182,296(15)	8,656,146
Mark T. Bertolini (named executive)	1,324,975(9)	*	392,918(16)	1,717,893
William J. Casazza (named executive)	407,712(10)	*	111,035(17)	518,747

Lonny Reisman, M.D. (named executive)	234,113(11)	*	63,542(18)	297,655
Joseph M. Zubretsky (named executive)	524,572(12)	*	271,471(19)	796,043
Directors and executive officers as a group (18 persons)	10,439,474(13)	2.37%	2,687,043(20)	13,126,517

* Less than 1%

Unless noted in the footnotes on page 39, each person currently has sole voting and investment powers over the shares set forth in the Beneficial Ownership Table. None of the shares reported are pledged as security.

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Notes to Beneficial Ownership Table

(1) Amounts shown represent the shares held jointly with his spouse, as to which Mr. Clark shares voting and investment powers.

(2) Includes 55,200 shares that the Director has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options.

(3) Includes 7,684 shares held jointly with his spouse, as to which Mr. Garten shares voting and investment powers.

(4) Includes 8,384 shares held by his spouse, as to which Mr. Greenwald has no voting or investment power.

(5) Includes 26,735 shares that Mrs. Hancock has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options. Also includes 8,035 shares held jointly with her spouse, as to which Mrs. Hancock shares voting and investment powers, and 400 shares held jointly by Mrs. Hancock s spouse and step-daughter as to which Mrs. Hancock has no voting or investment power.

(6) Includes 14,000 shares that Mr. Ludwig has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and 8,927 shares held jointly with his spouse, as to which Mr. Ludwig shares voting and investment powers.

(7) Includes 35,068 shares that Dr. Newhouse has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and 2,000 shares held jointly with his spouse, as to which Dr. Newhouse shares voting and investment powers.

(8) Includes 7,133,792 shares that Mr. Williams has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and SARs. Also includes 145,058 shares held by Mr. Williams; 126,052 shares in a family trust of which Mr. Williams and his spouse are the sole trustees and beneficiaries; 3,948 shares held in a 2002 Grantor Retained Annuity Trust of which Mr. Williams is the sole trustee; and 65,000 shares held in a 2008 Grantor Retained Annuity Trust of which Mr. Williams is the sole trustee.

(9) Includes 1,232,063 shares that Mr. Bertolini has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and SARs; and 92,912 shares held by Mr. Bertolini.

(10) Includes 354,770 shares that Mr. Casazza has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and SARs; 48,539 shares held by Mr. Casazza; 836 shares held in a custodial account for his children for which Mr. Casazza is the custodian and has sole voting and investment power; and 3,567 shares held under the 401(k) Plan by Mr. Casazza.

(11) Includes 181,448 shares that Dr. Reisman has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and SARs; 49,585 shares held in a 2009 Grantor Retained Annuity Trust of which Dr. Reisman is the sole trustee; and 3,080 shares held by Dr. Reisman.

(12) Includes 456,626 shares that Mr. Zubretsky has the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of SARs; and 67,946 shares held by Mr. Zubretsky.

(13) Directors and executive officers as a group have sole voting and investment power over 535,735 shares, share voting and investment power with respect to 158,216 shares (including 4,518 shares held under the 401(k)

Plan) and have no voting or investment power over 8,784 shares. Also includes 9,736,739 shares that Directors and executive officers have the right to acquire currently or within 60 days of March 19, 2010 upon the exercise of stock options and SARs.

(14) Includes stock units issued under the Director Plan and plans of Aetna s predecessors, as applicable. Certain of the stock units are not vested see Stock Unit and Restricted Stock Unit Awards on page 35. Stock units track the value of the Common Stock and earn dividend equivalents that may be reinvested, but do not have voting rights. Also includes RSUs granted to each nonmanagement Director under the Director Plan which are unvested, or vested but not yet payable, and are payable

in shares of the Common Stock. Unvested RSUs do not earn dividend equivalents and have no voting rights.

(15) Includes 605,699 vested deferred stock units which earn dividend equivalents that are reinvested in stock units. Stock units do not have voting rights. Also includes 133,915 performance stock units (PSUs) and 147,261 PSUs that may vest in February of 2011 and February of 2012, respectively, to the extent the Compensation Committee determines that the Company has met the applicable performance goal set at the time of grant. The PSUs do not earn dividend equivalents and have no voting rights. Also includes 295,421 market stock units (MSUs) that will vest on February 8, 2012 based on the weighted average closing price of our Common Stock for the thirty trading days prior to the vesting date. The MSUs do not earn dividend equivalents and have no voting rights.

(16) Includes 171,287 RSUs which vest one third on August 13, 2010 and two-thirds on February 13, 2012. The RSUs do not earn dividend equivalents and have no voting rights. Also includes 51,386 PSUs and 56,507 PSUs that may vest in February of 2011 and February of 2012, respectively, to the extent the Compensation Committee determines that the Company has met the applicable performance goal set at the time of grant. The PSUs do not earn dividend equivalents and have no voting rights. Also includes 113,738 MSUs that will vest on February 8, 2012 based on the weighted average closing price of our Common Stock for the thirty trading days prior to the vesting date. The MSUs do not earn dividend equivalents and have no voting rights.

(17) Includes 26,411 RSUs which vest in two substantially equal installments on March 10, 2011 and March 10, 2012. The RSUs do not earn dividend equivalents and have no voting rights. Also includes 19,621 PSUs and 21,576 PSUs that may vest in February of 2011 and February of 2012, respectively, to the extent the Compensation Committee determines that the Company has met the applicable performance goal set at the time of grant. The PSUs do not earn dividend equivalents and have no voting rights. Also includes 43,427 MSUs that will vest on February 8, 2012 based on the weighted average closing price of our Common Stock for the thirty trading days prior to the vesting date. The MSUs do not earn dividend equivalents and have no voting rights.

(18) Includes 14,015 PSUs and 16,439 PSUs that may vest in February of 2011 and February of 2012, respectively, to the extent the Compensation Committee determines that the Company has met the applicable performance goal set at the time of grant. The PSUs do not earn dividend equivalents and have no voting rights. Also includes 33,088 MSUs that will vest on February 8, 2012 based on the weighted average closing price of our Common Stock for the thirty trading days prior to the vesting date. The MSUs do not earn dividend equivalents and have no voting rights.

(19) Includes 118,344 RSUs which vest one third on August 13, 2010 and two-thirds on February 13, 2012. The RSUs do not earn dividend equivalents and have no voting rights. Also includes 35,503 PSUs and 39,042 PSUs that may vest in February of 2011 and February of 2012, respectively, to the extent the Compensation Committee determines that the Company has met the applicable performance goal set at the time of grant. The PSUs do not earn dividend equivalents and have no voting rights. Also includes 78,582 MSUs that will vest on February 8, 2012 based on the weighted average closing price of our Common Stock for the thirty trading days prior to the vesting date. The MSUs do not earn dividend equivalents and have no voting rights.

(20) Includes 469,444 stock units issued to Directors, 71,700 unvested RSUs, or vested RSUs that are not yet payable, issued to Directors, 612,666 vested deferred stock units issued to Mr. Williams and 1,533,233 unvested RSUs and PSUs issued to executive officers as a group.

Compensation Discussion and Analysis

A. 2009 Financial Performance and Impact on 2009 Executive Compensation

The Company did not meet its 2009 financial goals. These financial results were reflected in the application of the compensation programs to the Company s senior executives as follows:

Significant Reduction in Annual Bonus Payments. Our annual bonus plan, which is in part based on operating earnings per share, was funded at only 54.5% of target (down from 101.9% of target in 2008).

No payout under 2008-2009 Performance Stock Unit Program. The Performance Stock Units granted for the 2008-2009 period were cancelled without any payment because the two-year operating earnings per share performance goal was not met.

No Base Salary Increase. No Named Executive Officer received a base salary increase for 2009.

In addition, almost all (98%) of the stock options and stock appreciation rights awarded to Named Executive Officers between **2006 and 2009** had no intrinsic value as of December 31, 2009 because the grant prices exceeded the Company s stock price.

However, the Company made major efforts to position itself for future enhanced profitability by working to reduce costs, continuing to invest in critical technologies and making every effort to retain top talent, amidst great uncertainties in the industry, by making restricted stock grants to a limited number of executives. Additionally, the Company undertook a significant effort to contribute its ideas, knowledge of the industry and executive time to advance meaningful reform of the health care system to address affordability and improve access to quality health care.

B. Objectives of our Executive Compensation Program

An understanding of our executive compensation program begins with the program objectives. These include:

Aligning the interests of our executives and shareholders. We seek to align the interests of our executives with those of our shareholders through equity-based compensation and share ownership guidelines.

Linking rewards to performance. We seek to implement a pay-for-performance philosophy by tying a significant portion of our executives compensation to their achievement of financial and other goals that are linked to the Company s business strategy and each executive s contributions towards the achievement of those goals.

Offering competitive compensation. We seek to offer a compensation program that is competitive and that helps us attract, motivate and retain top performing executives in the highly competitive global market for health care professionals.

We continue to believe that a significant portion of executive compensation should be variable and based on defined performance goals and/or stock price change (i.e., at risk) which our program delivers in the form of equity and other performance-based awards. Based on information reported in our competitors 2009 proxy statements, Mr. Williams has more at risk compensation than the CEOs of our primary competitors. (The average amount of compensation at risk   for the CEOs of our competitors was reported to be 87%).

The chart below shows the mix of target compensation opportunity for our CEO and for each of the Named Executive Officers.

We believe our emphasis on equity-based compensation aligns the interests of our executives with those of our shareholders.

C. Summary of 2009 Compensation Decisions for our Named Executive Officers

Mr. Williams 2009 Compensation

	2009	**Change from 2008**
Salary(1)	$1,100,000	No change
Target Bonus	150% of base salary	No change
Actual Bonus	$900,000	$(1,050,000)
	54.5% of target	below 2008 actual bonus
Long-term Incentive Opportunity(2)	$14,300,000	No change
2008-2009 Performance Stock Unit Payout	$0	$(4,300,019)
		below 2008 grant value

(1) Annual salary rate in effect on December 31, 2009.

(2) Reflects estimated grant date fair value of Performance Stock Units ($4,300,000) and Stock Appreciation Rights ($10,000,000) on the date the awards were approved by the Compensation Committee.

Mr. Williams salary and target bonus percentage opportunity have remained unchanged since 2006. In addition, his 2009 long-term incentive opportunity was unchanged from 2008. After taking into account all elements of his compensation, the Compensation Committee continues to believe Mr. Williams compensation opportunity reflects an appropriate mix of fixed versus variable compensation. In reaching its decisions on Mr. Williams 2009 compensation, the Committee evaluated the Company s performance against the Annual Bonus Plan (ABP) goals described in detail beginning on page 48 and made a subjective assessment of Mr. Williams individual performance. In addition, the Committee applied the program policies described on page 47. In determining Mr. Williams 2009 compensation, the Committee also consulted with the other non-management members of the Board.

The individual performance factors considered by the Committee and the Board consisted primarily of: Mr. Williams leadership of the Board of Directors; his successful efforts in strengthening critical partnerships and leadership in advocating for meaningful reform of the health care system; response to changing market conditions and development of Company strategy; international expansion; the advancement of clinical decision support technology; consumer transparency and health information partnerships. In addition, Mr. Williams continued to strengthen the stewardship of The Aetna Way, our core values and business ethics program, he raised the standard for excellence in employee engagement, and he implemented significant improvements in the Company s talent development and succession planning processes. Under Mr. Williams leadership, the Company received several significant awards during 2009 including, *FORTUNE* Most Admired Company in Health Care, *Black Enterprise* 40 Best Companies for Diversity and *CDHCSolutions* CEO Leadership Award.

Mr. Williams 2009 compensation opportunity was set at approximately the 75th percentile of similarly positioned executives in the comparison group of companies reviewed by the Committee (the Comparison Group). The Committee views this positioning as appropriate in light of Mr. Williams extensive experience, strong leadership and individual performance results. Mr. Williams long-term incentive opportunity is higher than that of the other Named Executive Officers. Market pay for the CEO position, not different compensation policies, accounts for the difference, as does the Committee s subjective review of Mr. Williams past performance and expected future contribution to the Company s success.

Mr. Bertolini s 2009 Compensation

	2009	**Change from 2008**
Salary(1)	$936,000	No change
Target Bonus	120% of base salary	No change
Actual Bonus	$612,144 54.5% of target	$(778,356) below 2008 actual bonus
Long-term Incentive Opportunity(2)	$5,500,000	$1,200,000
2008-2009 Performance Stock Unit Payout	$0	$(1,290,011) below 2008 grant value
2009 Retention Restricted Stock Unit Award(3)	$5,500,000	NA

(1) Annual salary rate in effect on December 31, 2009.

(2) Reflects estimated grant date fair value of Performance Stock Units ($1,650,000) and Stock Appreciation Rights ($3,850,000) on the date the awards were approved by the Compensation Committee.

(3) Retention award of restricted stock units that vest over three years.

The Committee did not change Mr. Bertolini s salary or target bonus percentage opportunity in 2009. In order to continue to focus attention on the long-term performance of the Company, the Committee did approve an increase in the value of his long-term incentive opportunity, rather than change any short-term annual targets or base salary amount. These long-term incentives will only be paid if: 1) certain performance metrics are achieved, and 2) if the stock price appreciates above the grant price. After taking into account all elements of compensation, the Committee believes Mr. Bertolini s compensation opportunity reflects an appropriate mix of fixed versus variable compensation. In reaching its decisions on Mr. Bertolini s 2009 compensation, the Committee evaluated the Company s performance against the ABP goals described in detail beginning on page 48 and applied the program policies described on page 47. In addition, the Committee considered the recommendation of the CEO and made a subjective assessment of Mr. Bertolini s individual performance during 2009.

The individual performance factors considered by the Committee consisted primarily of: the performance of the business units that Mr. Bertolini manages, expansion of the Company s segmentation strategy focusing on new product and market growth, response to changing market conditions, the development of a new operating model, and internal talent development results.

Mr. Bertolini s 2009 compensation opportunity was between the median and the 75th percentile of his Comparison Group, which the Committee believes is appropriate given Mr. Bertolini s experience and individual performance results.

Mr. Bertolini s retention restricted stock unit award reflects his importance to the Company s efforts to maintain industry leadership and helps provide stability to the Company s leadership team in the current challenging economic and legislative environment. The amount of Mr. Bertolini s award was intended to equal Mr. Bertolini s current long-term incentive compensation opportunity.

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Mr. Casazza s 2009 Compensation

	2009	Change from 2008
Salary(1)	$500,045	No change
Target Bonus	80% of base salary	No change
Actual Bonus	$218,020	$(186,188)
	54.5% of target	below 2008 actual bonus
Long-term Incentive Opportunity(2)	$2,100,000	$300,000
2008-2009 Performance Stock Unit Payout	$0	$(540,006)
		below 2008 grant value
2009 Retention Restricted Stock Unit Award(3)	$900,000	NA

(1) Annual salary rate in effect on December 31, 2009.

(2) Reflects estimated grant date fair value of Performance Stock Units ($630,000) and Stock Appreciation Rights ($1,470,000) on the date the awards were approved by the Compensation Committee.

(3) Retention award of restricted stock units that vest over three years.

The Committee did not change Mr. Casazza s salary or target bonus percentage opportunity in 2009. In order to continue to focus attention on the long-term performance of the Company, the Committee did approve an increase in the value of his long-term incentive opportunity, rather than change any short-term annual targets or base salary amount. These long-term incentives will only be paid if: 1) certain performance metrics are achieved, and 2) if the stock price appreciates above the grant price. After taking into account all elements of compensation, the Committee believes Mr. Casazza s compensation opportunity reflects an appropriate mix of fixed versus variable compensation. In reaching its decisions on Mr. Casazza s 2009 compensation, the Committee evaluated the Company s performance against the ABP goals described in detail beginning on page 48 and applied the program policies described on page 47. In addition, the Committee considered the recommendation of the CEO and made a subjective assessment of Mr. Casazza s individual performance during 2009.

The individual performance factors considered by the Committee consisted primarily of: effective deployment of legal resources to support Company initiatives including health care reform and the related public policy debate; support of a broad range of business growth initiatives; advancement of the Company s state regulatory agenda; and proactively championing compliance initiatives throughout the Company.

Mr. Casazza s 2009 compensation opportunity was between the median and the 75th percentile of his Comparison Group, which the Committee believes is appropriate given Mr. Casazza s experience and individual performance results.

Mr. Casazza s retention restricted stock unit award reflects his importance to the Company s efforts to maintain industry leadership and helps provide stability to the Company s leadership team in the current challenging economic and legislative environment. The amount of Mr. Casazza s award was intended to equal one year of Mr. Casazza s current target cash compensation opportunity. Mr. Casazza was required to enter into a non-competition agreement with the Company as a condition of the retention grant because he had not previously entered into a non-competition agreement with the Company.

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Dr. Reisman s 2009 Compensation

	2009	Change from 2008
Salary(1)	$550,000	No change
Target Bonus	80% of base salary	No change
Actual Bonus	$239,800 54.5% of target	$(452,283) below 2008 actual bonus
Long-term Incentive Opportunity(2)	$1,500,000	$900,000 above 2008 grant value
2008-2009 Performance Stock Unit Payout	$0	$(180,036) below 2008 grant value

(1) Annual salary rate in effect on December 31, 2009.

(2) Reflects estimated grant date fair value of annual grant of Performance Stock Units ($450,000) and Stock Appreciation Rights ($210,000) granted in 2009 and Stock Appreciation Rights ($840,000) granted in November 2008 upon his promotion to Chief Medical Officer on the dates the awards were approved by the Compensation Committee.

The Committee did not change Dr. Reisman s salary or target bonus percentage opportunity in 2009. In order to continue to focus attention on the long-term performance of the Company, the Committee did approve an increase in the value of his long-term incentive opportunity, rather than change any short-term annual targets or base salary amount. Long-term incentives will only be paid if: 1) certain performance metrics are achieved, and 2) if the stock price appreciates above the grant price. In reaching its decisions on other elements of Dr. Reisman s 2009 compensation, the Committee evaluated the Company s performance against the ABP goals described in detail beginning on page 48 and applied the program policies described on page 47. In addition, the Committee considered the recommendation of the CEO and made a subjective assessment of Dr. Reisman s individual performance during 2009.

The individual performance factors considered by the Committee consisted primarily of: Dr. Riesman s leadership in advancing the Company s clinical strategy and technology initiatives related to payment reform, health information technology, integration, innovation and care management.

Dr. Reisman s 2009 compensation opportunity was just above the median of his Comparison Group, which the Committee believes is appropriate given Dr. Reisman s experience and individual performance results.

Dr. Reisman s long-term incentive opportunity was increased in 2009 due to his November 2008 promotion to Chief Medical Officer and reflects his increased scope of responsibility.

Mr. Zubretsky s 2009 Compensation

	2009	Change from 2008
Salary(1)	$728,000	No change
Target Bonus	100% of base salary	No change

Actual Bonus	$396,760 54.5% of target	$(468,440) below actual 2008 bonus
Long-term Incentive Opportunity(2)	$3,800,000	$800,000
2008-2009 Performance Stock Unit Payout	$0	$(900,026) below 2008 grant value
2009 Retention Restricted Stock Unit Award(3)	$3,800,000	NA

(1) Annual salary rate in effect on December 31, 2009.

(2) Reflects estimated grant date fair value of Performance Stock Units ($1,140,000) and Stock Appreciation Rights ($2,660,000) on the date the awards were approved by the Compensation Committee.

(3) Retention award of restricted stock units that vest over three years.

The Committee did not change Mr. Zubretsky s salary or target bonus percentage opportunity in 2009. In order to continue to focus attention on the long-term performance of the Company, the Committee did approve an increase in the value of his long-term incentive opportunity, rather than change any short-term annual targets or base salary amount. These long-term incentives will only be paid if: 1) certain performance metrics are achieved, and 2) if the stock price appreciates above the grant price. After taking into account all elements of compensation, the Committee believes Mr. Zubretsky s compensation opportunity reflects an appropriate mix of fixed versus variable compensation. In reaching its decisions on Mr. Zubretsky s 2009 compensation, the Committee evaluated the Company s performance against the ABP goals described in detail beginning on page 48 and applied the program policies described on page 47. In addition, the Committee considered the recommendation of the CEO and made a subjective assessment of Mr. Zubretsky s individual performance during 2009.

The individual performance factors considered by the Committee consisted primarily of: Mr. Zubretsky s enterprise leadership; his effectiveness as a trusted financial spokesman for the Company in a challenging business climate; corporate development activity; successful development of the Company s capital strategy; superior investment results; and talent management results.

Mr. Zubretsky s 2009 compensation opportunity was at approximately the 75th percentile of his Comparison Group, which the Committee believes is appropriate given Mr. Zubretsky s experience and individual performance results.

Mr. Zubretsky s retention restricted stock unit award reflects his importance to the Company s efforts to maintain industry leadership and helps provide stability to the Company s leadership team in the current challenging economic and legislative environment. The amount of Mr. Zubretsky s award was intended to equal Mr. Zubretsky s current long-term incentive compensation opportunity.

D. 2009 Compensation Policies

What are the elements of the Company s executive compensation program?

The 2009 compensation program for executives consisted of the following components:

Component	**Description**	**Purpose**
Base Salary	Fixed cash compensation based on the executive s past and potential future performance, scope of responsibilities, experience, and competitive market pay practices.	Provide a fixed, baseline level of compensation that is not contingent upon Company performance.
Performance-based Annual Bonus	Cash payment tied to meeting annual performance goals set for the fiscal year that are tied to the Company s annual business plan and individual performance.	Motivate executives to achieve superior annual financial and operational performance.
Long-term Equity Incentives:		
Stock Appreciation Rights (SARs)	Right to receive, upon exercise, shares equal in value to the difference between grant price and current market price. SARs vest over three years.	Align compensation to increase in Aetna s stock price and the creation of shareholder value.
Performance Stock Units (PSUs)	Performance-based restricted stock units. Amount of payout, if any, is	Align achievement of specific internal financial performance

	dependant on Company performance against financial goals over the two-year performance period.	objectives with the creation of shareholder value, increase executive stock ownership and provide retention incentives.

The Company also provides health, welfare and retirement benefits to its executive officers and employees generally.

How are the total cash and equity compensation amounts determined?

Our compensation program, in general, is designed to set total cash and equity compensation opportunity (considered as base salary, performance-based annual bonus and long-term incentive equity awards) for senior executives at an amount that is competitively reasonable and appropriate for our business needs and circumstances. In making compensation decisions, the Committee reviews the cash and equity compensation opportunities available to similarly positioned executives at companies in a Comparison Group or groups selected for each position. The Committee also considers the mix of compensation and structures target compensation opportunities to reflect the percent of pay at risk in the form of equity or other performance-based awards.

The program is designed, in general, to deliver above median total compensation for above median performance and below median total compensation for below median performance. Median is used because it represents the level that an informed industry investor would expect based on year-to-year trends and a level of program expense that is consistent with our competitors (in the aggregate). For executives with compensation opportunities that are more highly variable or focused on longer-term incentives, including the Named Executive Officers, total cash and equity compensation opportunity may be at or above the 75th percentile of market, but amounts are paid only if performance targets are achieved or exceeded. In setting total compensation opportunity, the Committee does not, on a formulaic basis, set target compensation opportunity at the precise median of the Comparison Group. Instead, the Committee uses the Comparison Group information as a reference point and uses the data as a guide to make what is ultimately a subjective decision that balances (i) a competitive level of compensation for a position; (ii) executive experience and scope of responsibility; (iii) individual performance; (iv) percent of pay at risk ; and (v) retention. There is not a pre-defined formula that determines which of these factors is more or less important, and the emphasis placed on a specific factor may vary among executive officers and will reflect market conditions and business needs at the time the pay decision is made. For 2009, the Named Executive Officers total compensation opportunity ranged from just above the median to approximately the 75th percentile because these officers tend to have more of their pay opportunity at risk based on Company performance.

For the Named Executive Officers, the Committee reviews the compensation of the officers of the five health care companies that we consider to be our closest competitors (the Health Care Comparison Group) and a select cross-industry peer group (the Cross-Industry Comparison Group). The Committee also reviews third-party compensation surveys. The companies that make up each Comparison Group and the reasons they were selected are listed on page 54. The third party compensation surveys are purchased from outside compensation vendors selected by our human resources department, and the data provided by the vendors is reviewed by Frederic W. Cook & Co., Inc. (Cook). The data presented to the Committee includes a regression analysis (adjustment to market compensation data to account for company size based on revenue) where available. The compensation of executive officers is compared across the executive officer group and with the compensation of other senior executives of the Company for internal pay relativity purposes. The Committee, however, has not established a specific pay relativity percentage.

How are base salaries for executive officers determined?

In making annual base salary determinations, the Committee considers the terms of any employment agreement with the executive, the recommendations of the CEO (as to other executives), salary paid to persons in comparable positions in the executive s Comparison Group, the executive s experience and scope of responsibility, and a subjective assessment of the executive s individual past and potential future contribution to Company results. Base salary, as a percent of total compensation, also differs based on the executive s position and function. Although the Committee has not established a specific ratio of base salary to total compensation, in general, executives with the highest level and broadest scope of responsibility have the lowest percentage of their compensation fixed as salary and have the highest percentage of their compensation subject to performance-based standards (performance-based annual bonus and long-term incentives). The chart on page 42 shows the mix of annual target compensation opportunity (base salary, target performance-based annual bonus, long-term incentive equity award) for 2009 for each of the Named Executive Officers.

Given the financial pressures on the Company, for 2009, the Committee did not increase the base salary of any Named Executive Officer.

How are annual performance-based bonuses determined?

Annual bonuses are paid in cash. All executive officers and managers are eligible to participate in the Annual Bonus Plan (ABP). The Committee, after consulting with the Board, establishes specific financial and operational goals at the beginning of each performance year, and annual bonus funding is linked directly to the achievement of these annual goals. Following the completion of the performance year, the Committee assesses performance against the pre-established performance goals to determine bonus funding for the year. The ABP goals, described in more detail below, are directly derived from our strategic and business operating plan approved by the Board. These goals, which measure annual results, require performance to be balanced between delivering financial results and achieving internal and external constituent goals. The Company believes it is important to consider these non-financial constituent goals, which have a 20% ABP weighting, because they help keep a focus on our longer-term success and the quality of our brand and reputation, rather than strict annual financial results.

Under the ABP, if all of the goals are met at the target level in the aggregate, then up to 100% of the target bonus pool is funded. If the goals are exceeded in the aggregate, by a sufficient margin, then up to a maximum of 200% of the bonus pool is funded. At the threshold performance level, 40% of the target bonus pool is funded. For executive officers subject to Section 162(m) of the Code, the annual bonus cannot exceed $3 million.

For 2009, bonus pool funding under the ABP was determined as set forth below:

Weight	**Measure**	**Goal/Target Performance**	**Actual Performance**	**Weighted Points**
80%	Financial Performance			
45%	Adjusted Operating Earnings Per Share(1)	$4.24	below threshold	0
25%	Underwriting Margin(2)	$8,512 million	below threshold	0
10%	G&A % of Revenue(3)	14.79%	14.35%	20.0
20%	Constituent Index Performance			
8%	Member(4)	100%	106.7%	14.2
4%	External(5)	100%	103.4%	8.0
8%	Internal(6)	100%	101.9%	12.3
Total				54.5

(1) Adjusted Operating Earnings Per Share (EPS) is a non-GAAP measure. For purposes of the ABP, the EPS calculation is adjusted to exclude the impact of pension expense/income. EPS also excludes net realized capital gains and losses and other items, if any, from net income.

(2) Underwriting margin is a non-GAAP measure. Underwriting margin is calculated by subtracting health care costs and current and future benefits from total premiums and fees and other revenue, excluding other items, if any.

(3) This goal measures general and administrative expenses (G&A) as a percentage of revenue. G&A as a percentage of revenue is a non-GAAP measure. It excludes net realized capital gains and an other item from total revenue, and the other items and selling expenses from total operating expenses, as described in our Fourth Quarter and Full Year 2009 Earnings Press Release dated February 5, 2010. In addition, the calculation of G&A as a percentage of revenue also excludes certain performance-based compensation.

(4) This goal measures member health quality and satisfaction determined through external national and regional benchmarks (HEDIS and Quality Compass results) and a Company sponsored survey of consumer perceptions across the industry.

(5) This goal measures external constituent satisfaction determined through a Company sponsored survey of plan sponsors, providers and brokers.

(6) This goal measures employee engagement determined through responses to the Company s all-employee survey as well as performance against diversity initiatives for employees and supplier groups.

As a result of the performance noted above, after applying the weightings, the Committee set the 2009 ABP bonus pool funding at 54.5% of target. Within this pool funding, the Committee set actual bonus amounts after conducting a subjective review of each executive officer s individual performance for the year and considering the recommendations of the CEO (as to other executives). In determining the annual bonus for the CEO, the Committee consulted with the nonmanagement members of the Board. The factors considered in determining individual bonus amounts for Named Executive Officers are discussed beginning on page 42.

How are long-term incentive equity awards (stock appreciation rights and performance stock units) determined?

In 2009, the Company s executive long-term incentive equity award program was delivered in the form of stock appreciation rights (SARs) and performance stock units (PSUs). The objective of the SAR and PSU awards is to advance the longer-term interests of the Company and our shareholders by directly aligning executive compensation with increases in our stock price and to incent executives to meet the specified PSU two-year performance goal. These awards complement cash incentives tied to annual performance by providing incentives for executives to increase earnings and shareholder value over time.

As described above, the amount of individual long-term equity awards (SARs and PSUs) is determined so that, in general, when combined with base salary and annual bonus, an executive s total target compensation opportunity is set at approximately the median level of the compensation paid to similarly positioned executives at companies in the executive s Comparison Group at median performance. The theoretical value of the long-term incentive equity awards was delivered 70% in SARs and 30% in PSUs. This split aligns the majority (70%) of the long-term incentive value directly with shareholder interests of increasing the value of our stock, and does not reward executives if the stock price declines. While the remaining 30% of the long-term incentive value is also tied to the full value of our stock, vesting will only occur if we meet or exceed specified performance goals. The SAR grants made in 2009 vest pro-rata over a three-year period. The PSU grant made in 2009 will vest 100% only if the two-year performance goal set at the time of grant is met at the target level. These awards are settled in Common Stock, net of applicable withholding taxes, in order to reduce shareholder dilution resulting from the awards.

To determine the number of SARs awarded, the value of the SAR component of an executive officer s compensation opportunity is converted into a specific number of SARs by assigning each SAR an estimated grant date fair value using a modified Black-Scholes formula. SARs do not deliver any value to an executive unless our stock price appreciates above the grant price. In order for our executives to realize the full 2009 SAR grant date fair value shown in the 2009 Grants of Plan-Based Awards Table on page 57, the Company will have to create $6.1 billion in additional shareholder value from the grant date of the SAR award (calculated using the number of shares outstanding on December 31, 2009). PSUs are valued based on the closing price of our Common Stock on the date of grant.

The Company currently does not pay dividend equivalents on PSUs or unvested restricted stock units (RSUs) due to the administrative cost involved.

What is the PSU performance goal and why was it selected?

The 2008-2009 PSU program required the Company to attain 15% compound annual operating earnings growth over the period 2008-2009 to pay out at 100%. This goal was selected because at the time it was set, it represented the Company s aggressive goal for two-year operating earnings growth. The Company did not meet the threshold goal and, therefore, the awards were cancelled without payment.

The 2009-2010 PSUs will vest at 100% if the Company attains compound annual operating earnings per share growth of 8% over the period of 2009-2010 (as defined in the award agreement). The goal was selected because, at the time it was set, it represented the Company s goal for two-year operating earnings growth. The Company announced its 2010 operating earnings guidance on February 5, 2010. Based on this guidance, it appears unlikely that the minimum performance vesting goal for the 2009-2010 PSU grants will be met. Actual vesting for the 2009-2010 PSU grants, if any, will be determined based on Company performance through December 31, 2010.

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Does the Committee consider prior equity grants when making compensation decisions?

In making individual long-term incentive equity award decisions, the Committee does not take into account prior equity grants or amounts realized on the exercise or vesting of prior equity grants in determining the number of SARs or PSUs to be granted. The Company s philosophy is to pay an annualized market value for the executive s position, sized according to the performance level of the individual in the position. The Committee does review prior equity grants of executives in evaluating the overall design, timing and size of the long-term incentive program. In addition, in assessing the recruitment/retention risk for executives, the Committee considers the value of unvested equity awards.

What is the Company s policy on the grant date of equity awards?

As was the case with equity awards granted in prior years, the effective date of the annual long-term incentive equity grant is the stock market trading day after our annual earnings are announced, and the grant price of our SARs is the closing price of our Common Stock on that day. Our annual earnings are announced prior to the opening of trading on the NYSE. The Committee has selected this timing so that the award value reflects the current market value of our Common Stock, incorporating our most recent full-year earnings information and outlook.

The Committee also makes grants during the year, primarily in connection with hiring and promotions. Under our policy, these grants are effective either on the 10th day of the month following the hire or promotion date or on the date of the hire or promotion. The grant price of SARs is not less than the closing price of our Common Stock on the date of grant.

What are the health, welfare and pension benefits offered?

To attract and retain employees at all levels, we offer a subsidized health and welfare benefits program that includes medical, dental, life, accident, disability, vacation and severance benefits. Our subsidy for employee health benefits is graduated so that executives pay a higher contribution than more moderately paid employees.

In addition, we offer a tax-qualified 401(k) and a defined benefit pension plan. The 401(k) Plan is available to substantially all of our employees, including the Named Executive Officers. Employees who have joined the Company through recent acquisitions, including Dr. Reisman, generally are not eligible for the defined benefit pension plan. As of January 2007, the tax-qualified defined benefit pension formula was reduced for all employees.

We also offer a nonqualified supplemental 401(k) Plan to provide benefits above Code contribution limits and a supplemental defined benefit pension plan. There is no Company matching contribution in the supplemental 401(k). As of January 2007, the supplemental defined benefit pension plan is no longer used to accrue future pension benefits. Interest continues to accrue on outstanding supplemental pension cash balance accruals, and the supplemental pension plan may continue to be used to credit benefits for special pension arrangements.

In some instances, special pension arrangements have been made in order to attract and/or retain key executives. Mr. Williams is the only Named Executive Officer with a contractual arrangement for an enhanced pension benefit. Details of the enhanced pension arrangements are included in footnote 3 to the 2009 Pension Benefits Table on page 61. Mr. Williams pension enhancement was negotiated as a recruitment incentive when Mr. Williams was hired in 2001 and will end in 2010.

Does the Company have an Employee Stock Purchase Plan?

Our tax-qualified employee stock purchase plan is available to substantially all employees, including the Named Executive Officers. This program allows our employees to buy our Common Stock at a 5% discount to the market price on the purchase date (up to $25,000 per year). We offer this program because we believe it is important for all employees to focus on increasing the value of our Common Stock and to have an opportunity to share in our success. Messrs. Williams and Zubretsky participated in this program in 2009.

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Does the Company provide other compensation to its executives?

The Company provides only limited other compensation to the Named Executive Officers (see the All Other Compensation table in footnote 10 on page 56). The largest item shown in the All Other Compensation table is personal use of corporate aircraft. In the interest of security, with certain exceptions, the Company requires that the CEO use corporate aircraft for personal travel whenever use of the aircraft is not required for a business purpose. Other senior executives are also permitted to use corporate aircraft for personal travel at the discretion of the CEO. The Committee believes this practice is reasonable and appropriate given security concerns and the demands put on our Named Executive Officers time. The Company does not provide any tax-gross ups related to other compensation.

What is the Company s policy on Internal Revenue Code Section 162(m)?

Section 162(m) of the Code limits the tax deductibility of compensation in excess of $1 million paid to certain executive officers, unless the payments are made under plans that satisfy the technical requirements of the Code. The Committee believes that pay over $1 million is, in some circumstances, necessary to attract and retain executives in a competitive marketplace. Annual bonuses, SARs and PSUs are designed so that the compensation paid will be tax deductible by the Company. In addition, in situations where we pay a base salary amount above $1 million, the Committee has mandated that the amount in excess of $1 million be deferred by the executive to preserve the tax deductibility of the payment. The Committee believes that there are circumstances under which it is appropriate for the Committee not to require deductibility to maintain flexibility or to continue to pay competitive compensation.

Do executives have to meet stock ownership requirements?

The CEO and other senior executives are subject to minimum stock ownership requirements. The ownership requirements are based on the executive s pay opportunity and position within the Company. The ownership levels (which include shares o