Anthem, Inc.
Form 10-Q
July 27, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended June 30, 2016
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number: 001-16751
ANTHEM, INC.
(Exact name of registrant as specified in its charter)

INDIANA	35-2145715
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
120 MONUMENT CIRCLE INDIANAPOLIS, INDIANA (Address of principal executive offices)	46204-4903 (Zip Code)

Registrant's telephone number, including area code: (317) 488-6000
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Title of Each Class	Outstanding at July 14, 2016
Common Stock, $0.01 par value	263,171,006 shares

Anthem, Inc.
Quarterly Report on Form 10-Q
For the Period Ended June 30, 2016
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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
Anthem, Inc.
Consolidated Balance Sheets

(In millions, except share data)	June 30, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 1,582.7	$ 2,113.5
Investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of $17,957.7 and $16,950.0)	18,563.2	16,920.0
Equity securities (cost of $1,304.0 and $1,055.8)	1,633.5	1,441.8
Other invested assets, current	18.8	19.1
Accrued investment income	168.7	170.8
Premium and self-funded receivables	5,260.9	4,602.8
Other receivables	2,125.2	2,421.4
Income taxes receivable	9.0	316.6
Securities lending collateral	1,512.4	1,300.4
Other current assets	2,083.3	1,555.7
Total current assets	32,957.7	30,862.1
Long-term investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of $493.2 and $550.4)	512.0	558.2
Equity securities (cost of $27.1 and $27.3)	30.9	31.0
Other invested assets, long-term	2,088.1	2,041.1
Property and equipment, net	1,989.8	2,019.8
Goodwill	17,562.2	17,562.2
Other intangible assets	8,059.7	8,158.0
Other noncurrent assets	862.2	485.4
Total assets	$ 64,062.6	$ 61,717.8
Liabilities and shareholders’ equity		
Liabilities		
Current liabilities:		
Policy liabilities:		
Medical claims payable	$ 7,498.6	$ 7,569.8
Reserves for future policy benefits	69.5	71.9
Other policyholder liabilities	2,390.8	2,256.5
Total policy liabilities	9,958.9	9,898.2
Unearned income	832.8	1,145.5
Accounts payable and accrued expenses	4,272.2	3,318.8
Security trades pending payable	110.9	73.1
Securities lending payable	1,512.0	1,300.9
Short-term borrowings	440.0	540.0
Current portion of long-term debt	927.9	—
Other current liabilities	2,762.1	2,816.1
Total current liabilities	20,816.8	19,092.6
Long-term debt, less current portion	14,202.4	15,324.5
Reserves for future policy benefits, noncurrent	625.1	631.7

Deferred tax liabilities, net	2,704.9	2,630.6
Other noncurrent liabilities	1,479.8	994.3
Total liabilities	39,829.0	38,673.7
Commitment and contingencies – Note 10		
Shareholders’ equity		
Preferred stock, without par value, shares authorized – 100,000,000; shares issued and outstanding – none	—	—
Common stock, par value $0.01, shares authorized – 900,000,000; shares issued and outstanding – 263,153,816 and 261,238,188	2.6	2.6
Additional paid-in capital	8,677.5	8,555.6
Retained earnings	15,918.4	14,778.5
Accumulated other comprehensive loss	(364.9)	(292.6)
Total shareholders’ equity	24,233.6	23,044.1
Total liabilities and shareholders’ equity	$ 64,062.6	$ 61,717.8

See accompanying notes.

Anthem, Inc.
Consolidated Statements of Income
(Unaudited)

(In millions, except per share data)	Three Months Ended June 30 2016	2015	Six Months Ended June 30 2016	2015
Revenues				
Premiums	$19,948.0	$18,516.3	$38,936.9	$36,126.8
Administrative fees	1,315.8	1,229.5	2,626.8	2,456.6
Other revenue	10.7	12.5	20.2	26.3
Total operating revenue	21,274.5	19,758.3	41,583.9	38,609.7
Net investment income	194.9	186.7	366.0	354.3
Net realized gains (losses) on financial instruments	12.5	92.3	(112.6)	138.8
Other-than-temporary impairment losses on investments:				
Total other-than-temporary impairment losses on investments	(33.8)	(26.2)	(119.0)	(41.6)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	8.1	4.4	26.4	5.8
Other-than-temporary impairment losses recognized in income	(25.7)	(21.8)	(92.6)	(35.8)
Total revenues	21,456.2	20,015.5	41,744.7	39,067.0
Expenses				
Benefit expense	16,805.2	15,205.4	32,344.0	29,332.3
Selling, general and administrative expense:				
Selling expense	351.5	363.8	701.4	732.0
General and administrative expense	2,617.6	2,677.0	5,467.9	5,454.0
Total selling, general and administrative expense	2,969.1	3,040.8	6,169.3	6,186.0
Interest expense	185.7	154.1	372.8	308.5
Amortization of other intangible assets	47.9	60.1	98.3	112.6
(Gain) loss on extinguishment of debt	—	(2.9)	—	0.5
Total expenses	20,007.9	18,457.5	38,984.4	35,939.9
Income before income tax expense	1,448.3	1,558.0	2,760.3	3,127.1
Income tax expense	667.7	698.9	1,276.7	1,402.8
Net income	$780.6	$859.1	$1,483.6	$1,724.3
Net income per share				
Basic	$2.97	$3.27	$5.65	$6.51
Diluted	$2.91	$3.13	$5.54	$6.22
Dividends per share	$0.650	$0.625	$1.300	$1.250

See accompanying notes.

Anthem, Inc.
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
(In millions)	2016	2015	2016	2015
Net income	$780.6	$859.1	$1,483.6	$1,724.3
Other comprehensive income (loss), net of tax:				
Change in net unrealized gains/losses on investments	209.8	(241.2)	382.1	(180.8)
Change in non-credit component of other-than-temporary impairment losses on investments	(5.4)	(2.8)	(7.1)	0.7
Change in net unrealized losses on cash flow hedges	(190.0)	0.9	(455.5)	1.8
Change in net periodic pension and postretirement costs	3.8	4.9	7.6	9.6
Foreign currency translation adjustments	(0.7)	0.7	0.6	(2.8)
Other comprehensive income (loss)	17.5	(237.5)	(72.3)	(171.5)
Total comprehensive income	$798.1	$621.6	$1,411.3	$1,552.8

See accompanying notes.

Anthem, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Six Months Ended June 30 2016	2015
Operating activities		
Net income	$ 1,483.6	$ 1,724.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized losses (gains) on financial instruments	112.6	(138.8)
Other-than-temporary impairment losses recognized in income	92.6	35.8
Loss on extinguishment of debt	—	0.5
Loss on disposal of assets	0.6	1.2
Deferred income taxes	99.7	47.5
Amortization, net of accretion	399.4	655.5
Depreciation expense	51.7	50.3
Share-based compensation	82.4	68.6
Excess tax benefits from share-based compensation	(46.0)	(89.0)
Changes in operating assets and liabilities:		
Receivables, net	(332.8)	(318.5)
Other invested assets	(13.2)	(4.0)
Other assets	(284.5)	(388.9)
Policy liabilities	54.1	278.8
Unearned income	(312.7)	(161.1)
Accounts payable and accrued expenses	280.0	231.1
Other liabilities	(17.1)	488.1
Income taxes	338.2	347.9
Other, net	(22.3)	(5.8)
Net cash provided by operating activities	1,966.3	2,823.5
Investing activities		
Purchases of fixed maturity securities	(5,509.3)	(5,530.6)
Proceeds from fixed maturity securities:		
Sales	4,246.3	4,371.6
Maturities, calls and redemptions	590.5	664.9
Purchases of equity securities	(1,032.3)	(1,389.5)
	486.4	1,085.9

Proceeds from sales of equity securities				
Purchases of other invested assets	(261.1	)	(161.1	)
Proceeds from sales of other invested assets	219.4		38.3	
Change in collateral and settlements of non-hedging derivatives	14.7		(32.0	)
Changes in securities lending collateral	(211.2	)	(202.9	)
Purchase of subsidiary, net of cash acquired	—		(641.6	)
Purchases of property and equipment	(251.2	)	(229.7	)
Net cash used in investing activities	(1,707.8	)	(2,026.7	)
Financing activities				
Net (repayments of) proceeds from commercial paper borrowings	(225.2	)	697.4	
Proceeds from long-term borrowings	—		1,228.7	
Repayments of long-term borrowings	—		(1,930.0	)
Proceeds from short-term borrowings	1,420.0		2,120.0	
Repayments of short-term borrowings	(1,520.0	)	(1,980.0	)
Changes in securities lending payable	211.1		202.9	
Changes in bank overdrafts	15.2		(233.1	)
Premiums paid on equity call options	—		(16.6	)
Proceeds from sale of put options	—		16.5	
Repurchase and retirement of common stock	—		(1,410.6	)
Change in collateral and settlements of debt-related derivatives	(467.5	)	—	
Cash dividends	(341.6	)	(330.5	)
Proceeds from issuance of common stock under employee stock plans	71.7		155.2	
Excess tax benefits from share-based compensation	46.0		89.0	
Net cash used in financing activities	(790.3	)	(1,391.1	)
Effect of foreign exchange rates on cash and cash	1.0		(4.4	)

equivalents		
Change in cash and cash equivalents	(530.8)	(598.7)
Cash and cash equivalents at beginning of period	2,113.5	2,151.7
Cash and cash equivalents at end of period	$ 1,582.7	$ 1,553.0

See accompanying notes.

Anthem, Inc.
Consolidated Statements of Shareholders' Equity
(Unaudited)

(In millions)	Common Stock Number of Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
January 1, 2016	261.2	$2.6	$8,555.6	$14,778.5	$ (292.6)	$23,044.1
Net income	—	—	—	1,483.6	—	1,483.6
Other comprehensive loss	—	—	—	—	(72.3)	(72.3)
Dividends and dividend equivalents	—	—	—	(343.7)	—	(343.7)
Issuance of common stock under employee stock plans, net of related tax benefits	2.0	—	121.6	—	—	121.6
Equity Units issuance costs adjustment	—	—	0.3	—	—	0.3
June 30, 2016	263.2	$2.6	$8,677.5	$15,918.4	$ (364.9)	$24,233.6
January 1, 2015	268.1	$2.7	$10,062.3	$14,014.4	$ 171.9	$24,251.3
Net income	—	—	—	1,724.3	—	1,724.3
Other comprehensive loss	—	—	—	—	(171.5)	(171.5)
Premiums paid on equity options	—	—	(16.6)	—	—	(16.6)
Repurchase and retirement of common stock	(9.7)	(0.1)	(357.7)	(1,052.8)	—	(1,410.6)
Dividends and dividend equivalents	—	—	—	(333.7)	—	(333.7)
Issuance of common stock under employee stock plans, net of related tax benefits	3.2	—	193.9	—	—	193.9
Convertible debenture repurchases and conversions	—	—	(1,043.6)	—	—	(1,043.6)
Equity Units contract payments and issuance costs	—	—	(130.9)	—	—	(130.9)
June 30, 2015	261.6	$2.6	$8,707.4	$14,352.2	$ 0.4	$23,062.6

See accompanying notes.

Anthem, Inc.
Notes to Consolidated Financial Statements
(Unaudited)
June 30, 2016
(In Millions, Except Per Share Data or As Otherwise Stated Herein)

1. Organization

References to the terms "we", "our", "us", "Anthem" or the "Company" used throughout these Notes to Consolidated Financial Statements refer to Anthem, Inc., an Indiana corporation, and unless the context otherwise requires, its direct and indirect subsidiaries.

We are one of the largest health benefits companies in terms of medical membership in the United States, serving 39.8 medical members through our affiliated health plans as of June 30, 2016. We offer a broad spectrum of network-based managed care plans to large and small employer, individual, Medicaid and Medicare markets. Our managed care plans include: preferred provider organizations, or PPOs; health maintenance organizations, or HMOs; point-of-service, or POS, plans; traditional indemnity plans and other hybrid plans, including consumer-driven health plans, or CDHPs; and hospital only and limited benefit products. In addition, we provide a broad array of managed care services to self-funded customers, including claims processing, underwriting, stop loss insurance, actuarial services, provider network access, medical cost management, disease management, wellness programs and other administrative services. We provide an array of specialty and other insurance products and services such as dental, vision, life and disability insurance benefits, radiology benefit management and analytics-driven personal health care. We also provide services to the federal government in connection with the Federal Employee Program, or FEP.

We are an independent licensee of the Blue Cross and Blue Shield Association, or BCBSA, an association of independent health benefit plans. We serve our members as the Blue Cross licensee for California and as the Blue Cross and Blue Shield, or BCBS, licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as BCBS in 10 New York City metropolitan and surrounding counties, and as Blue Cross or BCBS in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. In a majority of these service areas we do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, and Empire Blue Cross Blue Shield, or Empire Blue Cross (in our New York service areas). We also conduct business through an arrangement with another BCBS licensee in South Carolina. We conduct business through our AMERIGROUP Corporation, or Amerigroup, subsidiary, in Florida, Georgia, Iowa, Kansas, Louisiana, Maryland, Nevada, New Jersey, New Mexico, New York, Tennessee, Texas and Washington. In addition, we conduct business through our Simply Healthcare Holdings, Inc., or Simply Healthcare, subsidiary in Florida. We also serve customers throughout the country as HealthLink, UniCare (including a non-risk arrangement with Massachusetts), and in certain Arizona, California, Nevada and Virginia markets through our CareMore Health Group, Inc., or CareMore, subsidiary. We are licensed to conduct insurance operations in all 50 states through our subsidiaries.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation: The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, for interim financial reporting. Accordingly, they do not include all of the information and footnotes required by GAAP for annual financial statements. We have omitted certain footnote disclosures that would substantially duplicate the disclosures in our 2015 Annual Report on Form 10-K, unless the information contained in those disclosures materially changed or is required by GAAP. Certain prior year amounts have been reclassified to conform to the current year presentation. In the opinion of management, all adjustments, including normal recurring adjustments, necessary for a fair statement of the consolidated financial statements as of and for the three and six months ended June 30, 2016 and 2015 have been recorded. The results of operations for the three and six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2016. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2015 included in our 2015 Annual Report on Form 10-K.

Certain of our subsidiaries operate outside of the United States and have functional currencies other than the U.S. dollar, or USD. We translate the assets and liabilities of those subsidiaries to USD using the exchange rate in effect at the end of the period. We translate the revenues and expenses of those subsidiaries to USD using the average exchange rates in effect during the period. The net effect of these translation adjustments is included in “Foreign currency translation adjustments” in our consolidated statements of comprehensive income. Additionally, we control a number of bank accounts that are used exclusively to hold customer funds for the administration of customer benefits. At June 30, 2016 and December 31, 2015, we held $174.3 and $122.6, respectively, of customer funds with an offsetting liability in other current liabilities.

Recently Adopted Accounting Guidance: In April 2015, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update No. 2015-05, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement, or ASU 2015-05. This amendment provides guidance to help entities determine whether a cloud computing arrangement contains a software license that should be accounted for as internal-use software or as a service contract. ASU 2015-05 became effective January 1, 2016 and we elected to adopt the provisions of the new guidance prospectively to all arrangements entered into or materially modified on or after January 1, 2016. The adoption of ASU 2015-05 did not have an impact on our consolidated financial position, results of operations or cash flows.

In February 2015, the FASB issued Accounting Standards Update No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, or ASU 2015-02. ASU 2015-02 amended the consolidation guidance by modifying the evaluation criteria for whether limited partnerships and similar legal entities are variable interest entities or voting interest entities, eliminating the presumption that a general partner should consolidate a limited partnership, and affecting the consolidation analysis of reporting entities that are involved with variable interest entities. We adopted the provisions of ASU 2015-02 effective January 1, 2016 and re-evaluated all legal entity investments under the revised consolidation model. The adoption of ASU 2015-02 did not have a material impact on our consolidated financial position, results of operations or cash flows.

Recent Accounting Guidance Not Yet Adopted: In June 2016, the FASB issued Accounting Standards Update No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, or ASU 2016-13. This update introduces a current expected credit loss model for measuring expected credit losses for certain types of financial instruments held at the reporting date based on historical experience, current conditions and reasonable supportable forecasts. ASU 2016-13 replaces the current incurred loss model for measuring expected credit losses, requires expected losses on available-for-sale debt securities to be recognized through an allowance for credit losses rather than as reductions in the amortized cost of the securities, and provides for additional disclosure requirements. ASU 2016-13 is effective for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted for interim and annual reporting periods beginning after December 15, 2018. We are currently evaluating the effects the adoption of ASU 2016-13 will have on our consolidated financial statements, results of operations and cash flows.

In May 2016, the FASB issued Accounting Standards Update No. 2016-12, Revenue from Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, or ASU 2016-12. In April 2016, the FASB issued Accounting Standards Update No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, or ASU 2016-10. In March 2016, the FASB issued Accounting Standards Update No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross verses Net), or ASU 2016-08. These amendments provide additional clarification and implementation guidance on the previously issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), or ASU 2014-09. The amendments in ASU 2016-12 provide clarifying guidance on assessing collectability; noncash consideration; presentation of sales taxes; and transition. The amendments in ASU 2016-10 provide clarifying guidance on materiality of performance obligations; evaluating distinct performance obligations; treatment of shipping and handling costs; and determining whether an entity's promise to grant a license provides a customer with either a right to use or a right to access an entity's intellectual property. The amendments in ASU 2016-08 clarify how an entity should identify the specified good or service for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. The adoption of ASU 2016-12, ASU 2016-10 and ASU 2016-08 is to coincide with an entity's adoption of ASU 2014-09, which we intend to adopt for interim and annual reporting periods beginning after December 15, 2017. We are currently evaluating the impact that these standards will have on our results of operations, cash flows, consolidated financial position and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, or ASU 2016-09. The amendments in this update simplify several aspects of accounting for and reporting on share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in ASU 2016-09 are effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption permitted. The various amendments are to be applied differently upon adoption with certain amendments being applied prospectively, retrospectively and under a modified retrospective transition method. We are currently evaluating the effects the adoption of ASU 2016-09 will have on our consolidated financial statements, results of operations and cash flows.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842), or ASU 2016-02. Upon the effective date, ASU 2016-02 will supersede the current lease guidance in Topic 840, Leases. Under the new guidance, lessees will be required to recognize for all leases, with the exception of short-term leases, a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis. Concurrently, lessees will be required to recognize a right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The guidance is required to be applied using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative periods presented in the financial statements. We are currently evaluating the effects the adoption of ASU 2016-02 will have on our consolidated financial statements, results of operations and cash flows.

There were no other new accounting pronouncements that were issued or became effective since the issuance of our 2015 Annual Report on Form 10-K that had, or are expected to have, a material impact on our consolidated financial position, results of operations or cash flows.

3. Business Acquisitions

Pending Acquisition of Cigna Corporation

On July 24, 2015, we and Cigna Corporation, or Cigna, announced that we entered into an Agreement and Plan of Merger, or Merger Agreement, dated as of July 23, 2015, by and among Anthem, Cigna and Anthem Merger Sub Corp., a Delaware corporation and our direct wholly-owned subsidiary, pursuant to which we will acquire all outstanding shares of Cigna, or the Acquisition. The Acquisition will further our goal of creating a premier health benefits company with critical diversification and scale to lead the transformation of health care delivery for consumers. Cigna is a global health services organization that delivers affordable and personalized products and services to customers through employer-based, government-sponsored and individual coverage arrangements. All of Cigna's products and services are provided exclusively by or through its operating subsidiaries, including Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, Life Insurance Company of North America and Cigna Life Insurance Company of New York. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance. Cigna maintains sales capability in 30 countries and jurisdictions.

Under the terms of the Merger Agreement, Cigna's shareholders will receive $103.40 in cash and 0.5152 shares of our common stock for each Cigna common share outstanding. The value of the transaction is estimated to be approximately $53,000.0 based on the closing price of our common stock on the New York Stock Exchange on July 23, 2015. The final purchase price will be determined based on our closing stock price on the date of closing of the Acquisition. The combined company will reflect a pro forma equity ownership comprised of approximately 67% Anthem shareholders and approximately 33% Cigna shareholders. We expect to finance the cash portion of the Acquisition through available cash on hand and the issuance of new debt. We entered into a bridge facility commitment letter and a joinder agreement with a group of lenders which will provide up to $22,500.0 under a 364-day senior unsecured bridge term loan credit facility to finance the Acquisition in the event that we have not received proceeds from any combination of (i) senior unsecured term loans, (ii) common or preferred equity or equity-linked securities and/or (iii) senior unsecured notes in a public offering or private placement in an aggregate principal amount of at least $22,500.0 prior to the consummation of the Acquisition. In addition, in August 2015, we entered into a term loan facility which will provide up to $4,000.0 to finance a portion of the Acquisition. The commitment of the lenders to provide the bridge facility and the term loan facility is subject to several conditions, including the completion of the Acquisition.

On July 21, 2016, the U.S. Department of Justice, or DOJ, along with certain state attorneys general, filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia seeking to block the Acquisition. We intend to vigorously defend the Acquisition in this litigation and remain committed to completing the Acquisition as soon as practicable. Though the Merger Agreement provides that the closing of the Acquisition occur by January 31, 2017, this date can be extended to April 30, 2017 by either us or Cigna through written notice to the other party if all conditions to the merger have been satisfied except for the receipt of regulatory approvals and other governmental consents. If the Merger Agreement is terminated because the required regulatory approvals cannot be obtained, under certain conditions, we would be obligated to pay a $1,850.0 termination fee to Cigna.

Acquisition of Simply Healthcare

On February 17, 2015, we completed our acquisition of Simply Healthcare, a leading managed care company for people enrolled in Medicaid and Medicare programs in Florida. The excess of the consideration transferred over the fair value of net assets acquired resulted in non-tax-deductible goodwill of $474.7 at December 31, 2015. There were no additional measurement period adjustments to the provisional amounts recorded at December 31, 2015. The results of operations of Simply Healthcare are included in our consolidated financial statements within our Government Business segment for the periods following February 17, 2015.

4. Investments

We evaluate our investment securities for other-than-temporary declines based on qualitative and quantitative factors. Other-than-temporary impairment losses recognized in income totaled $25.7 and $21.8 for the three months ended June 30, 2016 and 2015, respectively. Other-than-temporary impairment losses recognized in income totaled $92.6 and $35.8 for the six months ended June 30, 2016 and 2015, respectively. There were no individually significant other-than-temporary impairment losses on investments during the three and six months ended June 30, 2016 and 2015. We continue to review our investment portfolios under our impairment review policy. Given the inherent uncertainty of changes in market conditions and the significant judgments involved, there is a continuing risk that further declines in fair value may occur and additional material other-than-temporary impairment losses on investments may be recorded in future periods.

A summary of current and long-term investments, available-for-sale, at June 30, 2016 and December 31, 2015 is as follows:

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses: Less than 12 Months	Gross Unrealized Losses: 12 Months or Greater	Estimated Fair Value	Non-Credit Component of Other-Than-Temporary Impairments Recognized in AOCI
June 30, 2016						
Fixed maturity securities:						
United States Government securities	$414.4	$14.0	$—	$—	$428.4	$—
Government sponsored securities	49.8	1.2	—	—	51.0	—
States, municipalities and political subdivisions, tax-exempt	5,924.6	410.0	(0.4)	(4.5)	6,329.7	—
Corporate securities	9,152.2	256.3	(29.8)	(68.8)	9,309.9	(26.4)
Residential mortgage-backed securities	1,835.4	57.3	(1.8)	(4.8)	1,886.1	—
Commercial mortgage-backed securities	330.5	3.8	(0.6)	(3.1)	330.6	—
Other debt securities	744.0	4.2	(3.5)	(5.2)	739.5	—
Total fixed maturity securities	18,450.9	746.8	(36.1)	(86.4)	19,075.2	$ (26.4)
Equity securities	1,331.1	352.2	(18.9)	—	1,664.4	
Total investments, available-for-sale	$19,782.0	$1,099.0	$(55.0)	$(86.4)	$20,739.6	
December 31, 2015						
Fixed maturity securities:						
United States Government securities	$349.5	$2.0	$(1.6)	$—	$349.9	$—
Government sponsored securities	75.6	0.5	(0.1)	(0.1)	75.9	—
States, municipalities and political subdivisions, tax-exempt	5,976.7	284.1	(4.0)	(5.2)	6,251.6	—
Corporate securities	8,209.7	61.1	(267.2)	(110.5)	7,893.1	(15.4)
Residential mortgage-backed securities	1,724.5	41.2	(7.6)	(7.2)	1,750.9	—
Commercial mortgage-backed securities	407.6	1.4	(4.3)	(0.4)	404.3	—
Other debt securities	756.8	4.1	(5.8)	(2.6)	752.5	—
Total fixed maturity securities	17,500.4	394.4	(290.6)	(126.0)	17,478.2	$ (15.4)
Equity securities	1,083.1	420.6	(30.9)	—	1,472.8	
Total investments, available-for-sale	$18,583.5	$815.0	$(321.5)	$(126.0)	$18,951.0	

At June 30, 2016 and December 31, 2015, we held $765.7 and $777.2, respectively, of energy sector fixed maturity securities within our available-for-sale investment portfolio. These energy sector securities had accumulated net unrealized losses at June 30, 2016 and December 31, 2015 of $0.3 and $172.0, respectively.

For available-for-sale securities in an unrealized loss position at June 30, 2016 and December 31, 2015, the following table summarizes the aggregate fair values and gross unrealized losses by length of time those securities have continuously been in an unrealized loss position:

	Less than 12 Months			12 Months or Greater		
(Securities are whole amounts)	Number of Securities	Estimated Fair Value	Gross Unrealized Loss	Number of Securities	Estimated Fair Value	Gross Unrealized Loss
June 30, 2016						
Fixed maturity securities:						
United States Government securities	7	$ 18.8	$ —	—	$ —	$ —
Government sponsored securities	—	—	—	1	1.1	—
States, municipalities and political subdivisions, tax-exempt	38	69.6	(0.4)	55	115.0	(4.5)
Corporate securities	726	927.2	(29.8)	450	985.2	(68.8)
Residential mortgage-backed securities	81	107.2	(1.8)	122	191.7	(4.8)
Commercial mortgage-backed securities	24	89.1	(0.6)	26	61.5	(3.1)
Other debt securities	82	221.5	(3.5)	72	227.5	(5.2)
Total fixed maturity securities	958	1,433.4	(36.1)	726	1,582.0	(86.4)
Equity securities	771	172.6	(18.9)	2	—	—
Total fixed maturity and equity securities	1,729	$ 1,606.0	$ (55.0)	728	$ 1,582.0	$ (86.4)
December 31, 2015						
Fixed maturity securities:						
United States Government securities	48	$ 248.4	$ (1.6)	2	$ 0.9	$ —
Government sponsored securities	13	18.3	(0.1)	6	8.2	(0.1)
States, municipalities and political subdivisions, tax-exempt	198	467.8	(4.0)	43	83.0	(5.2)
Corporate securities	2,492	4,912.3	(267.2)	372	447.0	(110.5)
Residential mortgage-backed securities	298	668.3	(7.6)	119	186.3	(7.2)
Commercial mortgage-backed securities	66	263.0	(4.3)	17	38.5	(0.4)
Other debt securities	153	488.2	(5.8)	28	77.0	(2.6)
Total fixed maturity securities	3,268	7,066.3	(290.6)	587	840.9	(126.0)
Equity securities	792	261.1	(30.9)	—	—	—
Total fixed maturity and equity securities	4,060	$ 7,327.4	$ (321.5)	587	$ 840.9	$ (126.0)

The amortized cost and fair value of available-for-sale fixed maturity securities at June 30, 2016, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations.

	Amortized Cost	Estimated Fair Value
Due in one year or less	$ 340.8	$ 342.6
Due after one year through five years	4,789.5	4,862.3
Due after five years through ten years	5,482.4	5,714.2
Due after ten years	5,672.3	5,939.4
Mortgage-backed securities	2,165.9	2,216.7
Total available-for-sale fixed maturity securities	$ 18,450.9	$ 19,075.2

Proceeds from fixed maturity securities, equity securities and other invested assets and the related gross realized gains and gross realized losses for the three and six months ended June 30, 2016 and 2015 are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2016	2015	2016	2015
Proceeds	$2,480.5	$3,234.8	$5,542.6	$6,160.7
Gross realized gains	108.4	148.4	229.8	282.1
Gross realized losses	(31.0)	(56.1)	(123.7)	(143.3)

In the ordinary course of business, we may sell securities at a loss for a number of reasons, including, but not limited to: (i) changes in the investment environment; (ii) expectation that the fair value could deteriorate further; (iii) desire to reduce exposure to an issuer or an industry; (iv) changes in credit quality; or (v) changes in expected cash flow.

All securities sold resulting in investment gains and losses are recorded on the trade date. Realized gains and losses are determined on the basis of the cost or amortized cost of the specific securities sold.

Securities Lending Programs

We participate in securities lending programs whereby marketable securities in our investment portfolio are transferred to independent brokers or dealers in exchange for cash and securities collateral. The fair value of the collateral received at the time of the transactions amounted to $1,512.0 and $1,300.9 at June 30, 2016 and December 31, 2015, respectively. The value of the collateral represented 103% of the market value of the securities on loan at June 30, 2016 and December 31, 2015. Under FASB guidance related to accounting for transfers and servicing of financial assets and extinguishments of liabilities, we recognize the collateral as an asset, which is reported as “Securities lending collateral” on our consolidated balance sheets and we record a corresponding liability for the obligation to return the collateral to the borrower, which is reported as “Securities lending payable.” The securities on loan are reported in the applicable investment category on our consolidated balance sheets. Unrealized gains or losses on securities lending collateral are included in accumulated other comprehensive income as a separate component of shareholders’ equity.

The remaining contractual maturity of our securities lending agreements at June 30, 2016 is as follows:

	Overnight and Continuous	Less than 30 days	30-90 days	Greater Than 90 days	Total
Securities lending transactions					
United States Government securities	$ 26.7	$17.7	$12.6	$ 83.1	$140.1
Corporate securities	861.8	—	—	—	861.8
Equity securities	307.4	—	1.5	0.1	309.0
Other debt securities	201.1	—	—	—	201.1
Total	$ 1,397.0	$17.7	$14.1	$ 83.2	$1,512.0

The market value of loaned securities and that of the collateral pledged can fluctuate in non-synchronized fashions. To the extent the loaned securities' value appreciates faster or depreciates slower than the value of the collateral pledged, we are exposed to the risk of the shortfall. As a primary mitigating mechanism, the loaned securities and collateral pledged are marked to market on a daily basis and the shortfall, if any, is collected accordingly. Secondarily, the collateral level is set at 102% of the value of the loaned securities, which provides a cushion before any shortfall arises. The investment of the cash collateral is subject to market risk, which is managed by limiting the investments to higher quality and shorter duration instruments.

5. Derivative Financial Instruments

We primarily invest in the following types of derivative financial instruments: interest rate swaps, forward contracts, put and call options, swaptions, embedded derivatives and warrants. We also enter into master netting agreements which reduce credit risk by permitting net settlement of transactions. At June 30, 2016, we had posted collateral of $438.0 and received collateral of $42.1 related to our derivative financial instruments.

A summary of the aggregate contractual or notional amounts and estimated fair values related to derivative financial instruments at June 30, 2016 and December 31, 2015 is as follows:

	Contractual/ Notional Amount	Balance Sheet Location	Estimated Fair Value Asset	(Liability)
June 30, 2016				
Hedging instruments				
Interest rate swaps - fixed to floating	$ 1,385.0	Other assets/other liabilities	$27.8	$—
Interest rate swaps - forward starting pay fixed	5,350.0	Other assets/other liabilities	—	(778.8)
Subtotal hedging	6,735.0	Subtotal hedging	27.8	(778.8)
Non-hedging instruments				
Interest rate swaps	299.5	Equity securities	—	(25.4)
Options	17,632.5	Other assets/other liabilities	203.7	(298.4)
Futures	127.9	Equity securities	1.7	(3.4)
Subtotal non-hedging	18,059.9	Subtotal non-hedging	205.4	(327.2)
Total derivatives	$ 24,794.9	Total derivatives	233.2	(1,106.0)
		Amounts netted	(104.1)	104.1
		Net derivatives	$129.1	$(1,001.9)
December 31, 2015				
Hedging instruments				
Interest rate swaps - fixed to floating	$ 1,385.0	Other assets/other liabilities	$7.0	$(0.8)
Interest rate swaps - forward starting pay fixed	4,650.0	Other assets/other liabilities	15.7	(90.9)
Subtotal hedging	6,035.0	Subtotal hedging	22.7	(91.7)
Non-hedging instruments				
Interest rate swaps	271.7	Equity securities	1.2	(6.0)
Options	16,917.4	Other assets/other liabilities	305.7	(332.1)
Futures	152.0	Equity securities	0.1	(0.2)
Subtotal non-hedging	17,341.1	Subtotal non-hedging	307.0	(338.3)
Total derivatives	$ 23,376.1	Total derivatives	329.7	(430.0)
		Amounts netted	(170.6)	170.6
		Net derivatives	$159.1	$(259.4)

Fair Value Hedges

We have entered into various interest rate swap contracts to convert a portion of our interest rate exposure on our long-term debt from fixed rates to floating rates. The floating rates payable on all of our fair value hedges are benchmarked to LIBOR. A summary of our outstanding fair value hedges at June 30, 2016 and December 31, 2015 is as follows:

Type of Fair Value Hedges	Year Entered Into	Outstanding Notional Amount June 30, 2016	December 31, 2015	Interest Rate Received	Expiration Date
Interest rate swap	2015	$ 200.0	$ 200.0	4.350 %	August 15, 2020
Interest rate swap	2014	150.0	150.0	4.350	August 15, 2020
Interest rate swap	2013	10.0	10.0	4.350	August 15, 2020
Interest rate swap	2012	200.0	200.0	4.350	August 15, 2020
Interest rate swap	2012	625.0	625.0	1.875	January 15, 2018
Interest rate swap	2012	200.0	200.0	2.375	February 15, 2017
Total notional amount outstanding		$ 1,385.0	$ 1,385.0		

A summary of the effect of fair value hedges on our income statement for the three and six months ended June 30, 2016 and 2015 is as follows:

Type of Fair Value Hedges	Income Statement Location of Hedge Gain	Hedge Gain Recognized	Hedged Item	Income Statement Location of Hedged Item Loss	Hedged Item Loss Recognized
Three months ended June 30, 2016					
Interest rate swaps	Interest expense	$ 2.2	Fixed rate debt	Interest expense	$ (2.2)
Three months ended June 30, 2015					
Interest rate swaps	Interest expense	$ 3.0	Fixed rate debt	Interest expense	$ (3.0)
Six months ended June 30, 2016					
Interest rate swaps	Interest expense	$ 4.6	Fixed rate debt	Interest expense	$ (4.6)
Six months ended June 30, 2015					
Interest rate swaps	Interest expense	$ 5.8	Fixed rate debt	Interest expense	$ (5.8)

Cash Flow Hedges

We have entered into a series of forward starting pay fixed interest rate swaps with the objective of eliminating the variability of cash flows in the interest payments on anticipated future financings beginning in 2017. We had $5,350.0 and $4,650.0 in notional amount outstanding under these swaps at June 30, 2016 and December 31, 2015, respectively. The unrecognized loss for all outstanding and terminated cash flow hedges included in accumulated other comprehensive income, net of tax, was $536.6 and $81.1 at June 30, 2016 and December 31, 2015, respectively. As of June 30, 2016, the total amount of amortization over the next twelve months for all cash flow hedges will increase interest expense by approximately $27.6.

A summary of the effect of cash flow hedges on our financial statements for the three and six months ended June 30, 2016 and 2015 is as follows:

Type of Cash Flow Hedge	Effective Portion: Pretax Hedge Loss Recognized in Other Comprehensive (Loss) Income	Effective Portion: Income Statement Location of Loss Reclassification from Accumulated Other Comprehensive Loss	Hedge Loss Reclassified from Accumulated Other Comprehensive Loss	Ineffective Portion: Income Statement Location of Loss Recognized	Ineffective Portion: Hedge Loss Recognized
Three months ended June 30, 2016					
Forward starting pay fixed swaps	$(293.8)	Interest expense	$ (1.5)	None	$ —
Three months ended June 30, 2015					
Forward starting pay fixed swaps	$—	Interest expense	$ (1.3)	None	$ —
Six months ended June 30, 2016					
Forward starting pay fixed swaps	$(703.6)	Interest expense	$ (2.9)	None	$ —
Six months ended June 30, 2015					
Forward starting pay fixed swaps	$—	Interest expense	$ (2.7)	None	$ —

We test for cash flow hedge effectiveness at hedge inception and re-assess at the end of each reporting period. No amounts were excluded from the assessment of hedge effectiveness.

Non-Hedging Derivatives

A summary of the effect of non-hedging derivatives on our income statement for the three and six months ended June 30, 2016 and 2015 is as follows:

Type of Non-hedging Derivatives	Income Statement Location of Gain (Loss) Recognized	Derivative Gain (Loss) Recognized
Three months ended June 30, 2016		
Interest rate swaps	Net realized (losses) gains on financial instruments	$ (9.4)
Options	Net realized (losses) gains on financial instruments	(53.7)
Futures	Net realized (losses) gains on financial instruments	(1.8)
Total		$ (64.9)
Three months ended June 30, 2015		
Derivatives embedded in convertible fixed maturity securities	Net realized (losses) gains on financial instruments	$ 0.7
Interest rate swaps	Net realized (losses) gains on financial instruments	7.7
Options	Net realized (losses) gains on financial instruments	9.2
Futures	Net realized (losses) gains on financial instruments	4.5
Total		$ 22.1
Six months ended June 30, 2016		
Interest rate swaps	Net realized (losses) gains on financial instruments	$ (26.3)
Options	Net realized (losses) gains on financial instruments	(190.1)
Futures	Net realized (losses) gains on financial instruments	(2.3)
Total		$ (218.7)
Six months ended June 30, 2015		
Derivatives embedded in convertible fixed maturity securities	Net realized (losses) gains on financial instruments	$ (22.3)
Interest rate swaps	Net realized (losses) gains on financial instruments	3.1
Options	Net realized (losses) gains on financial instruments	16.4
Futures	Net realized (losses) gains on financial instruments	2.9
Total		$ 0.1

6. Fair Value

Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by FASB guidance for fair value measurements and disclosures, are as follows:

Level Input	Input Definition
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	

	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following methods, assumptions and inputs were used to determine the fair value of each class of the following assets and liabilities recorded at fair value in the consolidated balance sheets:

Cash equivalents: Cash equivalents primarily consist of highly rated money market funds with maturities of three months or less and are purchased daily at par value with specified yield rates. Due to the high ratings and short-term nature of the funds, we designate all cash equivalents as Level I.

Fixed maturity securities, available-for-sale: Fair values of available-for-sale fixed maturity securities are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level I or Level II inputs for the determination of fair value to facilitate fair value measurements and disclosures. Level I securities include United States Government securities, certain corporate securities and certain other asset-backed securities. Level II securities include corporate securities, securities from states, municipalities and political subdivisions, mortgage-backed securities, government sponsored securities and certain other asset-backed securities. For securities not actively traded, the pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. We have controls in place to review the pricing services' qualifications and procedures used to determine fair values. In addition, we periodically review the pricing services' pricing methodologies, data sources and pricing inputs to ensure the fair values obtained are reasonable. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. We also have certain fixed maturity securities, primarily corporate debt securities, that are designated Level III securities. For these securities, the valuation methodologies may incorporate broker quotes or discounted cash flow analyses using assumptions for inputs such as expected cash flows, benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

Equity securities, available-for-sale: Fair values of equity securities are generally designated as Level I and are based on quoted market prices. For certain equity securities, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated Level II. We also have certain equity securities, including private equity securities, for which the fair value is estimated based on each security's current condition and future cash flow projections. Such securities are designated Level III. The fair values of these private equity securities are generally based on either broker quotes or discounted cash flow projections using assumptions for inputs such as the weighted-average cost of capital, long-term revenue growth rates and earnings before interest, taxes, depreciation and amortization, or EBITDA, and/or revenue multiples that are not observable in the markets.

Other invested assets, current: Other invested assets, current include securities held in rabbi trusts that are classified as trading. These securities are designated Level I securities as fair values are based on quoted market prices.

Securities lending collateral: Fair values of securities lending collateral are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level I or Level II inputs for the determination of fair value, to facilitate fair value measurements and disclosures.

Derivatives: Fair values are based on the quoted market prices by the financial institution that is the counterparty to the derivative transaction. We independently verify prices provided by the counterparties using valuation models that incorporate market observable inputs for similar derivative transactions. Derivatives are designated as Level II securities. Derivatives presented within the fair value hierarchy table below are presented on a gross basis and not on a master netting basis by counterparty.

A summary of fair value measurements by level for assets and liabilities measured at fair value on a recurring basis at June 30, 2016 and December 31, 2015 is as follows:

	Level I	Level II	Level III	Total
June 30, 2016				
Assets:				
Cash equivalents	$598.2	$—	$—	$598.2
Investments available-for-sale:				
Fixed maturity securities:				
United States Government securities	428.4	—	—	428.4
Government sponsored securities	—	51.0	—	51.0
States, municipalities and political subdivisions, tax-exempt	—	6,329.7	—	6,329.7
Corporate securities	244.0	8,857.8	208.1	9,309.9
Residential mortgage-backed securities	—	1,884.5	1.6	1,886.1
Commercial mortgage-backed securities	—	330.6	—	330.6
Other debt securities	53.5	653.7	32.3	739.5
Total fixed maturity securities	725.9	18,107.3	242.0	19,075.2
Equity securities	1,401.3	97.4	165.7	1,664.4
Other invested assets, current	18.8	—	—	18.8
Securities lending collateral	821.2	691.2	—	1,512.4
Derivatives (reported with other assets)	—	233.2	—	233.2
Total assets	$3,565.4	$19,129.1	$407.7	$23,102.2
Liabilities:				
Derivatives (reported with other liabilities)	$—	$(1,106.0)	$—	$(1,106.0)
Total liabilities	$—	$(1,106.0)	$—	$(1,106.0)
December 31, 2015				
Assets:				
Cash equivalents	$701.0	$—	$—	$701.0
Investments available-for-sale:				
Fixed maturity securities:				
United States Government securities	349.9	—	—	349.9
Government sponsored securities	—	75.9	—	75.9
States, municipalities and political subdivisions, tax-exempt	—	6,251.6	—	6,251.6
Corporate securities	77.6	7,629.3	186.2	7,893.1
Residential mortgage-backed securities	—	1,750.9	—	1,750.9
Commercial mortgage-backed securities	—	402.4	1.9	404.3
Other debt securities	55.7	671.2	25.6	752.5
Total fixed maturity securities	483.2	16,781.3	213.7	17,478.2
Equity securities	1,253.8	116.9	102.1	1,472.8
Other invested assets, current	19.1	—	—	19.1
Securities lending collateral	708.1	592.3	—	1,300.4
Derivatives (reported with other assets)	—	329.7	—	329.7
Total assets	$3,165.2	$17,820.2	$315.8	$21,301.2
Liabilities:				
Derivatives (reported with other liabilities)	$—	$(430.0)	$—	$(430.0)
Total liabilities	$—	$(430.0)	$—	$(430.0)

A reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using Level III inputs for the three months ended June 30, 2016 and 2015 is as follows:

Corporate Securities	Residential Mortgage-backed Securities	Commercial Mortgage-backed Securities	Other Debt Securities	Equity Securities