



Aetna Retirees Association, Inc

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News

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ARA Asks for a Voice On the Aetna Board

Aetna Has Recommended a "No" Vote on Shareholder Initiative

When Aetna shareholders receive their proxy ballots this year, they will be asked to vote on a Shareholder proposal by the Aetna Retirees Association that, if passed, could put an Aetna Retiree on the board of directors.

Proposal 2 – Retiree on Board of Directors, reads: **"Resolved: The shareholders recommend that Aetna's Board of Directors adopt a policy that each year our Board nominate (or renominate) at least one director candidate for our company's Board of Directors who is a retired executive of Aetna Inc. with a broad range of corporate management experience before and/or after his/her career at Aetna."**

In arguing for the proposal, the ARA pointed out that a retired executive would bring "a unique perspective to the board and the Company that would benefit all shareholders. Retirees constitute a significant group of shareholders whose financial interests are totally consistent with the interests of all other shareholders. Aetna retirees have a vital interest in the financial success of the Company. Issues that confront retirees across the nation are becoming more complex as our retiree population grows. This is a key market segment for the Aetna since the introduction of Medicare D products as well as changing retiree product opportunities such as Medicare Advantage and Medi-gap coverages."

ARA believes that an Aetna retiree on the board would bring experience as well as other executive exposures, perspectives and contacts that could help guide Aetna in the design, development and marketing of products for employees and retirees. ARA understands that any candidate for the board must demonstrate that he or she would not be a "single issue" director representing a narrow constituency.

This proposal reflects a question at last year's shareholders' meeting directed by then ARA Chairman John Dwyer to then Aetna Chairman Dr. John Rowe. Rowe said he would give the suggestion some consideration, but shortly thereafter, Dwyer was informed that Aetna had dismissed the idea. ARA still believes that the idea has considerable merit and decided that it would present the idea again, this time for a vote of the shareholders.

Company Opposes the Proposal

As part of the proxy package, Aetna is recommending a vote against this proposal and will oppose it at the 2007 annual meeting. That meeting will be held April 27 at the Gaylord Texan Resort & Conference Center in Grapevine, Texas.

In explaining its opposition to the proposal, Aetna outlined its policy for selecting directors, and said, "...the board believes that requiring a mandatory nominee from the ranks of Company retirees will be contrary to its nomination principles, since it believes that Directors should represent the interests of all shareholders, and not, in fact or appearance, any group's narrow interests."

ARA does not agree with this rationale. There are certainly many retired Aetna executives who compare favorably with current board members. Many of them had extensive and varied business experience before coming to Aetna and/or after leaving the company. ARA is confident it could present the company with a suitable list for its consideration.

What's more, we are confident that, if the company had a retiree director, he or she would have helped the company avoid pitfalls that grew out of product changes in recent years. If the company seeks diversity as it claims, perhaps a retiree director might have brought perspectives not supplied by others.

We Need Your Vote!

If you still own Aetna stock, we need your vote. Please be sure to support Proposal 2 and get your proxy vote mailed in on time. Do you have friends or relatives who own Aetna stock? Ask them to do the same.

How about former Aetna associates? Ask them to do the same and, if they aren't ARA members, let them know that they need to join.

CONTACT ARA!

We welcome your comments, questions, ideas and letters to the editor. See mail and website addresses on page 1.

Dave Smith, Editor