

CIGNA CORP  
Form 8-K  
December 07, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 7, 2009

CIGNA Corporation

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation)

1-08323  
(Commission File Number)

06-1059331  
(IRS Employer  
Identification No.)

Two Liberty Place, 1601 Chestnut Street  
Philadelphia, Pennsylvania 19192  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(215) 761-1000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On December 7, 2009 and for the remainder of the week, Company officials expect to participate in telephone calls and meetings with investors and analysts. During these meetings, Company officials expect to reaffirm consolidated adjusted income from operations estimates for full year 2009 and 2010, which remain in the range of \$1.04 billion to \$1.10 billion and \$1.05 billion to \$1.15 billion, respectively. These estimates for 2009 and 2010 outlook assume future Variable Annuity Death Benefits (VADBe) results will be approximately break-even, reflecting management's view that the long-term reserve assumptions are appropriate and that capital markets remain stable. Company officials also expect to reaffirm the outlook for medical membership for full year 2009 and 2010 as discussed on the Company's third quarter 2009 earnings conference call and the Company's 2009 Investor Day, respectively. A transcript of that earnings call is available at [http://www.cigna.com/about\\_us/investor\\_relations/recent\\_disclosures.html](http://www.cigna.com/about_us/investor_relations/recent_disclosures.html) and a webcast of the Company's Investor Day is available at [http://www.cigna.com/about\\_us/investor\\_relations/events.html](http://www.cigna.com/about_us/investor_relations/events.html).

Consolidated adjusted income from operations is consolidated income from continuing operations excluding realized investment results, special items and results of the Company's Guaranteed Minimum Income Benefits business, otherwise known as GMIB, which is reported in the Run-off Reinsurance segment.

Investors are strongly encouraged to review the factors cited in the Cautionary Statement included in this report and the sensitivities discussed in the "Critical Accounting Estimates" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2008 and the Quarterly Report on Form 10-Q for the third quarter ended September 30, 2009 for further details and information.

Information is not available for management (1) to reasonably estimate future realized investment gains (losses) or (2) to reasonably estimate future GMIB business results due in part to interest rate and stock market volatility and other internal and external factors; therefore it is not possible to provide a forward-looking reconciliation of adjusted income from operations to shareholders' income from continuing operations. Potential losses or gains related to the GMIB business, as well as investment impairments (both of which are sensitive to equity market and interest rate movements), could either adversely or favorably impact the Company's consolidated results of operations and financial condition, and could impact the capital of the Company's insurance subsidiaries as well as their dividend paying capabilities.

Special items for the remainder of 2009 may include potential charges associated with the previously announced cost reduction plan as well as litigation related items. Information is not available for management to identify, other than these items, or reasonably estimate additional 2009 or 2010 special items.

The foregoing statements represent management's current estimate of CIGNA's consolidated adjusted income from operations (excluding VADBe) and medical membership for full year 2009 and 2010 as of the date of this report. Actual results may differ materially depending on a number of factors, and investors are urged to read the Cautionary Statement included in this report for a description of those factors. Management does not assume any obligation to update these estimates, whether as a result of new information, future events or otherwise, except as required by law.

**CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

The Company and its representatives may from time to time make written and oral forward-looking statements, including statements contained in press releases, in the Company's filings with the Securities and Exchange Commission, in its reports to shareholders and in meetings with analysts and





12. adjustments to the assumptions (including annuity election rates and amounts collectible from reinsurers) used in estimating the Company's assets and liabilities for reinsurance contracts covering guaranteed minimum income benefits under certain variable annuities;
13. significant stock market declines, which could, among other things, result in increased expenses for guaranteed minimum income benefit contracts, guaranteed minimum death benefit contracts and the Company's pension plans in future periods as well as the recognition of additional pension obligations;
14. unfavorable claims experience related to workers' compensation and personal accident exposures of the run-off reinsurance business, including losses attributable to the inability to recover claims from retrocessionaires;
15. significant deterioration in economic conditions and significant market volatility, which could have an adverse effect on the Company's operations, investments, liquidity and access to capital markets;
16. significant deterioration in economic conditions and significant market volatility, which could have an adverse effect on the businesses of our customers (including the amount and type of healthcare services provided to their workforce, loss in workforce and our customers' ability to pay receivables) and our vendors (including their ability to provide services);
17. changes in public policy and in the political environment, which could affect state and federal law, including legislative and regulatory proposals related to health care issues (including health care reform legislation that could include, among other items, a broad based public sector alternative and/or alternative assessments and tax increases specific to the Company's industry), which could increase cost and affect the market for the Company's health care products and services; and amendments to income tax laws, which could affect the taxation of employer provided benefits and certain insurance products such as corporate-owned life insurance;
18. potential public health epidemics, pandemics and bio-terrorist activity, which could, among other things, cause the Company's covered medical and disability expenses, pharmacy costs and mortality experience to rise significantly, and cause operational disruption, depending on the severity of the event and number of individuals affected;
19. risks associated with security or interruption of information systems, which could, among other things, cause operational disruption;
20. challenges and risks associated with the successful management of the Company's outsourcing projects or key vendors, including the agreement with IBM for provision of technology infrastructure and related services;
21. the ability to successfully integrate and operate the businesses acquired from Great-West by, among other things, renewing insurance and administrative services contracts on competitive terms, retaining and growing membership, realizing revenue, expense and other synergies, successfully leveraging the information technology platform of the acquired businesses, and retaining key personnel; and
22. the ability of the Company to execute its growth plans by successfully managing Great-West Healthcare's outsourcing projects and leveraging the Company's capabilities and those of the businesses acquired from Great-West to further enhance the combined organization's network access position, underwriting effectiveness, delivery of quality member and provider service, and increased penetration of its membership base with differentiated product offerings.

This list of important factors is not intended to be exhaustive. Other sections of the Company's most recent Annual Report on Form 10-K, including the "Risk Factors" section, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and other documents filed with the Securities and Exchange Commission include both expanded discussion of these factors and additional risk factors and uncertainties that could preclude the Company from realizing the forward-looking statements. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



SIGNATURE

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

CIGNA CORPORATION

Date: December 7, 2009

By: /s/ Annmarie T. Hagan  
Annmarie T. Hagan  
Executive Vice President &  
Chief Financial Officer

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