

CIGNA CORP  
Form 10-Q  
August 02, 2012

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

**FORM 10-Q**

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

For the quarterly period ended June 30, 2012

OR

**Part II** 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 1-08323

**CIGNA CORPORATION**

*(Exact name of registrant as specified in its charter)*

<b>DELAWARE</b>	<b>06-1059331</b>
<i>(State or other jurisdiction of incorporation or organization)</i>	<i>(I.R.S. Employer Identification No.)</i>
<b>900 Cottage Grove Road Bloomfield, Connecticut</b>	<b>06002</b>
<i>(Address of principal executive offices)</i>	<i>(Zip Code)</i>
<b>(860) 226-6000</b>	
<i>Registrant's telephone number, including area code</i>	
<b>(860) 226-6741</b>	
<i>Registrant's facsimile number, including area code</i>	
<b>Not Applicable</b>	
<i>(Former name, former address and former fiscal year, if changed since last report)</i>	

Indicate by check mark	YES	NO
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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.

**Part I**

**Part II**

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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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

**þ** **o**

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

Large accelerated filer **þ**

Accelerated filer **o**

Non-accelerated filer **o**

Smaller Reporting  
Company **o**

whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
As of July 16, 2012, 288,363,488 shares of the issuer's common stock were outstanding.

**o** **þ**

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# Cigna Corporation

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

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Consolidated Statements of Income**

	Unaudited Three Months Ended June 30,		Unaudited Six Months Ended June 30,	
<i>(In millions, except per share amounts)</i>	2012	2011	2012	2011
<b>Revenues</b>				
Premiums and fees	\$ 6,686	\$ 4,786	\$ 12,827	\$ 9,519
Net investment income	283	284	571	563
Mail order pharmacy revenues	402	349	788	688
Other revenues	90	71	50	105
Realized investment gains (losses):				
Other-than-temporary impairments on fixed maturities, net	(3)	(2)	(6)	(2)
Other realized investment gains (losses)	(1)	19	15	45
Total realized investment gains (losses)	(4)	17	9	43
<b>TOTAL REVENUES</b>	<b>7,457</b>	<b>5,507</b>	<b>14,245</b>	<b>10,918</b>
<b>Benefits and Expenses</b>				
Health Care medical claims expense	3,405	2,034	6,442	4,111
Other benefit expenses	1,214	1,058	2,318	2,052
Mail order pharmacy cost of goods sold	330	289	651	565
GMIB fair value loss	87	37	20	21
Other operating expenses	1,833	1,497	3,674	2,998
<b>TOTAL BENEFITS AND EXPENSES</b>	<b>6,869</b>	<b>4,915</b>	<b>13,105</b>	<b>9,747</b>
<b>Income before Income Taxes</b>	<b>588</b>	<b>592</b>	<b>1,140</b>	<b>1,171</b>
Income taxes:				
Current	211	138	346	160
Deferred	(3)	63	43	206

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<b>TOTAL TAXES</b>	<b>208</b>	<b>201</b>	<b>389</b>	<b>366</b>
<b>Net Income</b>	<b>380</b>	<b>391</b>	<b>751</b>	<b>805</b>
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>SHAREHOLDERS' NET INCOME</b>	<b>\$ 380</b>	<b>\$ 391</b>	<b>\$ 751</b>	<b>\$ 804</b>
<b>Shareholders' Net Income Per Share:</b>				
Basic	\$ 1.33	\$ 1.46	\$ 2.63	\$ 2.98
Diluted	\$ 1.31	\$ 1.43	\$ 2.59	\$ 2.94
<b>Dividends Declared Per Share</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>

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

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## ITEM 1 Financial Statements

## Cigna Corporation

### Consolidated Statements of Comprehensive Income

	Unaudited Three Months Ended June 30,		Unaudited Six Months Ended June 30,	
	2012	2011	2012	2011
<i>(In millions, except per share amounts)</i>				
Shareholders' net income	\$ 380	\$ 391	\$ 751	\$ 804
<b>Shareholders' Other Comprehensive Income (Loss):</b>				
<b>Net unrealized appreciation on securities:</b>				
Fixed maturities	63	89	86	81
Equity securities	1	(2)	2	-
Net unrealized appreciation on securities	64	87	88	81
Net unrealized appreciation (depreciation), derivatives	5	(5)	-	(10)
Net translation of foreign currencies	(43)	40	(8)	88
Postretirement benefits liability adjustment	25	5	36	9
Shareholders' Other comprehensive income	51	127	116	168
Shareholders' comprehensive income	431	518	867	972
<b>Comprehensive income attributable to noncontrolling interest:</b>				
Net income attributable to noncontrolling interest	-	-	-	1
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 431</b>	<b>\$ 518</b>	<b>\$ 867</b>	<b>\$ 973</b>

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

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**PART I**  
ITEM 1 Financial Statements

## **Cigna Corporation** **Consolidated Balance Sheets**

*(In millions, except per share amounts)*

**Unaudited**  
**As of**  
**June 30, 2012**