

CIGNA CORP
 Form 424B5
 March 05, 2008
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Securities Registered	Amount Registered	Aggregate Price Per Unit	Aggregate Offering Price	Amount of Registration Fee⁽¹⁾
6.35% Senior Notes due 2018	\$300,000,000	99.888%	\$299,664,000	\$11,776.80

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act). Payment of the registration fee at the time of filing of the registrant's registration statement on Form S-3 filed with the Securities and Exchange Commission on August 17, 2006 (File No. 333-136704), was deferred pursuant to Rules 456(b) and 457(r) of the Securities Act, and is paid herewith. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in such registration statement.

Table of Contents

**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-136704**

Prospectus Supplement

(To Prospectus dated August 17, 2006)

\$300,000,000

CIGNA Corporation

6.35% Senior Notes due 2018

We are offering \$300,000,000 of our 6.35% senior notes due 2018 (the "Notes").

The Notes will bear interest at the rate of 6.35% per year. Interest on the Notes is payable on March 15 and September 15 of each year, beginning September 15, 2008. The Notes will mature on March 15, 2018.

We may redeem the Notes, at any time in whole or from time to time in part, at the redemption price described in this prospectus supplement. If a change of control triggering event as described herein occurs, we will be required to offer to repurchase the Notes at the price described in this prospectus supplement.

The Notes will be senior unsecured obligations of our company and will rank equally with all of our other existing and future senior unsecured indebtedness.

Investing in the Notes involves certain risks. See "Special Note Regarding Forward-Looking Statements and Risk Factors" on page ii of this prospectus supplement and "Risk Factors" beginning on page 28 in our Annual Report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference herein.

	Per Note	Note Total
Public offering price(1)	99.888%	\$299,664,000
Underwriting discount	0.650%	\$1,950,000
Proceeds, before expenses to CIGNA Corporation	99.238%	\$297,714,000

(1) Plus accrued interest, if any, from March 7, 2008, to the date of delivery.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including *Clearstream Banking, S.A.* and *Euroclear Bank S.A./N.V.*, as operator of the Euroclear System, against payment in New York, New York on or about March 7, 2008.

Joint Book-Running Managers

Banc of America Securities LLC

March 4, 2008

Goldman, Sachs & Co.

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in any free writing prospectus filed by the Company with the SEC. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. We and the underwriters have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus may only be used where it is legal to sell these securities. The information in this prospectus supplement and the accompanying prospectus may only be accurate as of the date of this prospectus supplement, the accompanying prospectus or the information incorporated by reference herein or therein, and the information in any free writing prospectus may only be accurate as of the date of such free writing prospectus. Our business, financial condition, results of operations and/or prospects may have changed since those dates.

TABLE OF CONTENTS**Prospectus Supplement**

	Page
<u>Special Note Regarding Forward-Looking Statements and Risk Factors</u>	ii
<u>Where You Can Find More Information</u>	iv
<u>Prospectus Supplement Summary</u>	S-1
<u>Selected Financial Information</u>	S-4
<u>Use of Proceeds</u>	S-5
<u>Capitalization</u>	S-5
<u>Description of the Notes</u>	S-6
<u>United States Federal Income Tax Considerations</u>	S-14
<u>Underwriting</u>	S-17
<u>Validity of the Notes</u>	S-21
<u>Experts</u>	S-21
<u>Benefit Plan Investor Considerations</u>	S-22

Prospectus

	Page
<u>About This Prospectus</u>	2
<u>Special Note On Forward-Looking Statements and Risk Factors</u>	3
<u>Where You Can Find More Information</u>	5
<u>Cigna Corporation</u>	7
<u>Use of Proceeds</u>	8
<u>Description of Debt Securities</u>	9
<u>Form of Debt Securities</u>	16
<u>Description of Capital Stock</u>	18
<u>Plan of Distribution</u>	20
<u>Validity of Securities</u>	23
<u>Experts</u>	23
<u>Erisa Matters</u>	23

Unless otherwise mentioned or unless the context requires otherwise, when used in this prospectus supplement and accompanying prospectus, the terms CIGNA, we, our and us refer to CIGNA Corporation and its consolidated subsidiaries, and the term the Company refers to CIGNA Corporation, not including its consolidated subsidiaries. The underwriters refers to the financial institutions named in the Underwriting section of this prospectus supplement.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

We have made forward-looking statements in the accompanying prospectus and the documents incorporated by reference in the accompanying prospectus. Forward-looking statements may contain information about financial prospects, economic conditions, trends and other uncertainties. These forward-looking statements are based on management's beliefs and assumptions and on information available to management at the time the statements are or were made. Forward-looking statements include but are not limited to the information concerning possible or assumed future business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, trends, and, in particular, CIGNA's productivity initiatives, litigation and other legal matters, operational improvement in the health care operations, and the outlook for CIGNA's full year 2008 results. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words believe, expect, plan, intend, anticipate, estimate, predict, potential, may, should or similar expressions.

You should not place undue reliance on these forward-looking statements. CIGNA cautions that actual results could differ materially from those that management expects, depending on the outcome of certain factors. Some factors that could cause actual results to differ materially from the forward-looking statements include:

1. increased medical costs that are higher than anticipated in establishing premium rates in CIGNA's health care operations, including increased use and costs of medical services;
2. increased medical, administrative, technology or other costs resulting from new legislative and regulatory requirements imposed on CIGNA's employee benefits businesses;
3. challenges and risks associated with implementing operational improvement initiatives and strategic actions in the health care operations, including those related to: (i) offering products that meet emerging market needs, (ii) strengthening underwriting and pricing effectiveness, (iii) strengthening medical cost and medical membership results, (iv) delivering quality member and provider service using effective technology solutions, and (v) lowering administrative costs;
4. risks associated with pending and potential state and federal class action lawsuits, disputes regarding reinsurance arrangements, other litigation and regulatory actions challenging CIGNA's businesses and the outcome of pending government proceedings and tax audits;
5. heightened competition, particularly price competition, which could reduce product margins and constrain growth in CIGNA's businesses, primarily the health care business;
6. risks associated with CIGNA's mail-order pharmacy business which, among other things, includes any potential operational deficiencies or service issues as well as loss or suspension of state pharmacy licenses;
7. significant changes in interest rates for a sustained period of time;
8. downgrades in the financial strength ratings of CIGNA's insurance subsidiaries, which could, among other things, adversely affect new sales and retention of current business;
9. limitations on the ability of CIGNA's insurance subsidiaries to dividend capital to the parent company as a result of downgrades in the subsidiaries' financial strength ratings, changes in statutory reserve or capital requirements or other financial constraints;

10. inability of the program adopted by CIGNA to substantially reduce equity market risks for reinsurance contracts that guarantee minimum death benefits under certain variable annuities (including possible market difficulties in entering into appropriate futures contracts and in matching such contracts to the underlying equity risk);

11. adjustments to the reserve assumptions (including lapse, partial surrender, mortality, interest rates and volatility) used in estimating CIGNA's liabilities for reinsurance contracts covering guaranteed minimum death benefits under certain variable annuities;

Table of Contents

12. adjustments to the assumptions (including annuity election rates and reinsurance recoverables) used in estimating CIGNA'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 pension expenses of CIGNA's pension plan in future periods and 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, which could have an adverse effect on CIGNA's operations and investments;
16. 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, which could increase cost and affect the market for CIGNA's health care products and services; and amendments to income tax laws, which could affect the taxation of employer provided benefits, and pension legislation, which could increase pension cost;
17. potential public health epidemics and bio-terrorist activity, which could, among other things, cause CIGNA'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;
18. risks associated with security or interruption of information systems, which could, among other things, cause operational disruption;
19. challenges and risks associated with the successful management of CIGNA's outsourcing projects or key vendors, including the agreement with IBM for provision of technology infrastructure and related services; and
20. risk factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2007, including the Cautionary Statement in Management's Discussion and Analysis and our other filings with the SEC.

This list of important factors is not intended to be exhaustive. Other sections of our Annual Report on Form 10-K for the year ended December 31, 2007, including the Risk Factors section and the Cautionary Statement in Management's Discussion and Analysis of Financial Condition and Results of Operations, and other documents filed with the SEC include both expanded discussion of these factors and additional risk factors and uncertainties that could preclude CIGNA from realizing the forward-looking statements. CIGNA 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.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). You may read and copy all or any portion of this information at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549 after payment of fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

The SEC also maintains a website that contains reports, proxy statements and other information about issuers, like CIGNA, who file electronically with the SEC. The address of that site is www.sec.gov.

Our website address is www.cigna.com. This reference to our website is intended to be an inactive textual reference only. Our website and the information contained therein or connected thereto are not incorporated by reference into this prospectus supplement or the accompanying prospectus.

This prospectus supplement is part of the registration statement and does not contain all of the information included in the registration statement. Whenever a reference is made in this prospectus supplement to any contract or other document of CIGNA, the reference may not be complete and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or document.

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, except for any information that is superseded by subsequent incorporated documents or by information that is contained directly in this prospectus supplement. This prospectus supplement and the accompanying prospectus incorporates by reference the documents set forth below that CIGNA has previously filed with the SEC and that are not delivered with this prospectus supplement. These documents contain important information about CIGNA and its financial condition.

CIGNA SEC Filings (File No. 1-08323)

Filing Dates

Annual Report on Form 10-K

For the fiscal year ended December 31, 2007, filed on February 29, 2008.

Current Reports on Form 8-K

Filed on January 28, 2008, January 29, 2008 and February 20, 2008.

All documents filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished under Item 2.02 or 7.01 in any Current Report on Form 8-K) between the date of this prospectus supplement and the termination of the offering of the Notes shall also be deemed to be incorporated herein by reference. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

To obtain a copy of these filings at no cost, you may write or telephone us at the following address:

CIGNA Corporation

Two Liberty Place, 1601 Chestnut Street

Philadelphia, PA 19192

Attention: Investor Relations

(215) 761-1000

Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference into such document.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about CIGNA Corporation and this offering. It does not contain all of the information that may be important to you in deciding whether to purchase the Notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the SEC that are incorporated by reference prior to deciding whether to purchase the Notes.

CIGNA

CIGNA Corporation and its subsidiaries constitute one of the largest investor-owned health services organizations in the United States. Our subsidiaries are major providers of health care and related benefits, the majority of which are offered through the workplace, including: health care products and services; group disability, life and accident insurance; and workers' compensation case management and related services. CIGNA Corporation had consolidated shareholders' equity of \$4.7 billion and assets of \$40.1 billion as of December 31, 2007, and revenues of \$17.6 billion for the year then ended. CIGNA's major insurance subsidiary, Connecticut General Life Insurance Company (CG Life), traces its origins to 1865. CIGNA Corporation was incorporated in the State of Delaware in 1981.

CIGNA Corporation is a holding company and is not an insurance company. Its subsidiaries conduct various businesses, which are described in our most recent Annual Report on Form 10-K.

CIGNA Corporation's principal executive offices are located at Two Liberty Place, 1601 Chestnut Street, Philadelphia, PA 19192. Our telephone number is (215) 761-1000.

For additional information concerning CIGNA, please see our most recent Annual Report on Form 10-K and our other filings with the SEC. See [Where You Can Find More Information](#).

Table of Contents**The Offering**

The terms of the Notes are summarized below solely for your convenience. This summary is not a complete description of the Notes. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying prospectus. For a more detailed description of the Notes, see the discussion under the caption "Description of the Notes" beginning on page S-6 of this prospectus supplement.

Issuer	CIGNA Corporation
Securities Offered	\$300,000,000 aggregate principal amount of 6.35% senior notes due 2018.
Maturity	The Notes will mature on March 15, 2018.
Interest Payment Dates	Interest on the Notes will accrue from March 7, 2008 and will be payable on March 15 and September 15 of each year, beginning September 15, 2008.
Optional Redemption	We may redeem the Notes, at any time in whole or from time to time in part, at the redemption prices described in this prospectus supplement.
Ranking	The Notes will be our senior unsecured and unsubordinated obligations and will rank equally with all of our existing and future senior unsecured indebtedness and senior to all of our subordinated indebtedness. See "Description of the Notes."
Use of Proceeds	We expect to use the net proceeds from this offering for general corporate purposes. As described in our Annual Report on Form 10-K for the year ended December 31, 2007, we entered into a definitive agreement to acquire the assets of Great-West Healthcare. If the acquisition is consummated, we expect to fund the cash purchase price with resources on hand at the time of closing of the acquisition. See "Use of Proceeds."
Change of Control	Upon the occurrence of both (1) a change of control of us and (2) a downgrade of the Notes below all Investment Grade Ratings by at least two of the three Rating Agencies within a specified period, we will be required to make an offer to purchase all of the Notes at a price equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest to the date of repurchase. See "Description of the Notes" Change of Control Offer.
Covenants	The Senior Indenture for the Notes contains limitations on liens on common stock of our Designated Subsidiaries (as defined in the Senior Indenture) and limits our ability to consolidate with or merge with or into any other person (other than in a merger or consolidation in which we are the surviving person) or sell our property or assets as, or substantially as, an entirety to any person. These covenants are subject to important qualifications and limitations. See "Description of Debt Securities" Limitations on Liens on Common Stock of Designated Subsidiaries and "Consolidation, Merger and Sale of Assets" in the accompanying prospectus.

Table of Contents

Minimum Denominations

The Notes will be issued and may be transferred only in minimum denominations of \$2,000 and multiples of \$1,000 in excess thereof.

Risk Factors

For a discussion of factors you should carefully consider before deciding to purchase the Notes, see Special Note Regarding Forward-Looking Statements and Risk Factors on page ii of this prospectus supplement and Risk Factors beginning on page 28 in our Annual Report on Form 10-K for the year ended December 31, 2007, as updated in any subsequent filings with the SEC that are incorporated by reference in this prospectus supplement.

Table of Contents**SELECTED FINANCIAL INFORMATION**

The following table sets forth our selected consolidated financial data for the five years ended December 31, 2007. The following information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement.

	2007	Years Ended December 31, (in millions)			2003
	2006	2005	2004		
Income Statement Data:					
Premiums and fees	\$ 15,008	\$ 13,641	\$ 13,695	\$ 14,236	\$ 15,460
Net investment income	1,114	1,195	1,359	1,643	2,594
Mail order pharmacy revenues	1,118	1,145	883	857	764
Other revenues	368	346	754	917	(161)
Realized investment gains (losses)	15	220	(7)	523	151
Total revenues	17,623	16,547	16,684	18,176	18,808
Health care medical claims expense	6,798	6,111	6,305	6,616	8,068
Other benefit expenses	3,401	3,153	3,341	3,648	4,152
Mail order pharmacy cost of goods sold	904	922	690	670	593
Other operating expenses	4,889	4,630	4,555	4,867	5,147
Total benefits and expenses	15,992	14,816	14,891	15,801	17,960
Income from continuing operations before income taxes	1,631	1,731	1,793	2,375	848
Income taxes	511	572	517	798	264
Income from continuing operations	1,120	1,159	1,276	1,577	584
Income (loss) from discontinued operations, net of taxes	(5)	(4)	349		48
Income before cumulative effect of accounting change	1,115	1,155	1,625	1,577	632
Cumulative effect of accounting change, net of taxes				(139)	
Net income	\$ 1,115	\$ 1,155	\$ 1,625	\$ 1,438	\$ 632
Balance Sheet Data (At Period End):					
Total assets	\$ 40,065	\$ 42,399	\$ 44,893	\$ 81,059	\$ 90,199
Debt:					
Short-term	3	382	100		
Long-term	1,790	1,294	1,338	1,438	1,500
Shareholders' Equity	\$ 4,748	\$ 4,330	\$ 5,360	\$ 5,203	\$ 4,607

Table of Contents**USE OF PROCEEDS**

Our net proceeds from this offering are estimated to be approximately \$296,869,000 after deducting underwriting discounts and our estimated offering expenses. We expect to use the net proceeds from this offering for general corporate purposes. As described in our Annual Report on Form 10-K for the year ended December 31, 2007, we entered into a definitive agreement to acquire the assets of Great-West Healthcare. If the acquisition is consummated, we expect to fund the cash purchase price with resources on hand at the time of closing of the acquisition.

CAPITALIZATION

The following table shows our capitalization on a consolidated basis as of December 31, 2007 and as adjusted for the sale of \$300,000,000 aggregate principal amount of Notes offered by this prospectus supplement. You should read this table in conjunction with our consolidated financial statements and the related notes which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	At December 31, 2007	
	Actual	As Adjusted
	(in millions)	
Long-term debt	\$ 1,790	\$ 2,090
Shareholders' equity:		
Common stock (\$0.25 par value; 600,000,000 shares authorized, 350,946,000 shares issued, 279,588,000 shares outstanding)	88	88
Additional paid-in capital	2,474	2,474
Net unrealized appreciation on investments	128	128
Net translation of foreign currencies	61	61
Postretirement benefits liability adjustment	(138)	(138)
Retained earnings	7,113	7,113
Treasury stock, at cost	(4,978)	(4,978)
Total shareholders' equity	4,748	4,748
Total capitalization	\$ 6,538	\$ 6,838

Table of Contents

DESCRIPTION OF THE NOTES

The Notes offered by this prospectus supplement are senior debt securities as described in the accompanying prospectus. This description supplements the description of the general terms and provisions of the debt securities found in the accompanying prospectus.

Capitalized terms used and not otherwise defined below or elsewhere in this prospectus supplement or the accompanying prospectus are used with the respective meanings given thereto in the Senior Indenture, dated as of August 16, 2006, between CIGNA Corporation and U.S. Bank National Association (the Trustee), as supplemented by Supplemental Indenture No. 3, to be dated the closing date of the offering between CIGNA Corporation and the Trustee (collectively, the Senior Indenture).

The Senior Indenture does not restrict our ability to incur additional indebtedness, oth