

CIGNA CORP  
Form 10-Q  
November 01, 2006

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

**FORM 10-Q**

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

For the quarterly period ended **September 30, 2006**

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 **1-08323**

**CIGNA Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation or organization)

**06-1059331**

(I.R.S. 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, 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  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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As of September 30, 2006, 102,567,908 shares of the issuer's common stock were outstanding.

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## CIGNA CORPORATION

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As used herein, CIGNA refers to one or more of CIGNA Corporation and its consolidated subsidiaries.

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**Part I. FINANCIAL INFORMATION****Item 1. Financial Statements****CIGNA CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME***(In millions, except per share amounts)*

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>REVENUES</b>				
Premiums and fees	\$ 3,433	\$ 3,381	\$ 10,070	\$ 10,151
Net investment income	296	334	924	995
Other revenues	360	298	1,150	1,300
Realized investment gains	48	9	198	28
Total revenues	4,137	4,022	12,342	12,474
<b>BENEFITS AND EXPENSES</b>				
Health Care medical claims expense	1,595	1,579	4,536	4,633
Other benefit expenses	743	786	2,356	2,481
Other operating expenses	1,353	1,274	4,068	3,875
Total benefits and expenses	3,691	3,639	10,960	10,989
<b>INCOME FROM CONTINUING OPERATIONS</b>				
<b>BEFORE INCOME TAXES (BENEFITS)</b>	446	383	1,382	1,485
Income taxes (benefits):				
Current	158	(58)	477	169
Deferred	(14)	182	(22)	250
Total taxes	144	124	455	419
<b>INCOME FROM CONTINUING OPERATIONS</b>	302	259	927	1,066
<b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES</b>				
	(4)	-	(4)	349
<b>NET INCOME</b>	\$ 298	\$ 259	\$ 923	\$ 1,415
<b>EARNINGS PER SHARE - BASIC</b>				
<b>INCOME FROM CONTINUING OPERATIONS</b>	\$ 2.83	\$ 2.04	\$ 8.14	\$ 8.27
<b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS</b>	(0.03)	-	(0.04)	2.71

<b>NET INCOME</b>	\$ 2.80	\$ 2.04	\$ 8.10	\$ 10.98
<b>EARNINGS PER SHARE - DILUTED</b>				
<b>INCOME FROM CONTINUING OPERATIONS</b>	\$ 2.79	\$ 2.00	\$ 8.00	\$ 8.12
<b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS</b>	(0.04)	-	(0.03)	2.66
<b>NET INCOME</b>	\$ 2.75	\$ 2.00	\$ 7.97	\$ 10.78
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ 0.025	\$ 0.025	\$ 0.075	\$ 0.075

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

**CIGNA CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

*(In millions, except per share amounts)*

	<b>As of September 30, 2006</b>	<b>As of December 31, 2005</b>
<b>ASSETS</b>		
Investments:		
Fixed maturities, at fair value (amortized cost, \$11,549; \$13,873)	\$ 12,345	\$ 14,947
Equity securities, at fair value (cost, \$131; \$113)	148	135
Mortgage loans	4,108	3,934
Policy loans	1,406	1,337
Real estate	105	80
Other long-term investments	394	504
Short-term investments	95	439
Total investments	18,601	21,376
Cash and cash equivalents	1,208	1,709
Accrued investment income	260	