SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
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 1-8323

CIGNA CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	**06-1059331**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
900 Cottage Grove Road, Bloomfield, Connecticut	**06002**
(Address of principal executive offices)	*(Zip Code)*

(860) 226-6000
Registrant's telephone number, including area code
(860) 226-6741
Registrant's facsimile number, including area code

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:	
Title of each class	Name of each exchange on which registered
Common Stock, Par Value $0.25	**New York Stock Exchange, Inc.**

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
NONE

Indicate by check mark	**YES**	**NO**
if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	☑	☐
if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	☐	☑
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.	☑	☐
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).	☑	☐
if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.	☐	☑

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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 ☑	Accelerated filer ☐	Non-accelerated filer ☐	Smaller Reporting Company ☐

whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	☐	☑

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 29, 2012 was approximately $12.7 billion.

As of January 31, 2013, 285,954,499 shares of the registrant's Common Stock were outstanding.

Part III of this Form 10-K incorporates by reference information from the registrant's proxy statement to be dated on or about March 15, 2013.

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PART I

ITEM 1 Business

Description of Business">

A. Description of Business

Cigna Corporation was incorporated in the State of Delaware in 1981. Various businesses that are described in this Annual Report on Form 10-K for the fiscal year ended December 31, 2012 ("Form 10-K") are conducted by its insurance and other subsidiaries. As used in this document, "Cigna", the "Company", "we" and "our" may refer to Cigna Corporation itself, one or more of its subsidiaries, or Cigna Corporation and its consolidated subsidiaries.

Cigna had consolidated shareholders' equity of $9.8 billion and assets of $53.7 billion as of December 31, 2012, and revenues of $29.1 billion for the year then ended. Cigna's revenues are derived principally from premiums, fees, mail order pharmacy, and investment income.

Strategy and Key Developments

Cigna is a global health services organization with a mission to help its customers improve their health, well-being and sense of security. Its insurance subsidiaries are major providers of medical, dental, disability, life and accident insurance and related products and services, the majority of which are offered through employers and other groups (e.g. governmental and non-governmental organizations, unions and associations). Cigna also offers Medicare and Medicaid products and health, life and accident insurance coverages primarily to individuals in the U.S. and selected international markets. In addition to its ongoing operations described above, Cigna also has certain run-off operations, including a Run-off Reinsurance segment.

Cigna's long-term growth strategy is based on: (1) repositioning the portfolio for growth in targeted geographies, product lines, buying segments and distribution channels; (2) improving its strategic and financial flexibility; and (3) pursuing additional opportunities in high growth markets with particular focus on individuals.

Cigna's mission and focus on delivering value by serving the emerging needs of our global customers is being accomplished through executing on our long-term growth strategy, that is:

GO DEEP: Cigna seeks to increase its presence and brand strength in key "go deep" geographic areas, grow in targeted segments or capabilities, and deepen its relationships with current customers through cross selling.

GO GLOBAL: Cigna delivers a range of differentiated products and superior service to meet the distinct needs of a growing global middle class and a globally mobile workforce through expansion in existing international markets as well as an extension of the Company's business model to new geographic areas.

GO INDIVIDUAL: Cigna strives to establish a deep understanding of its customers' unique needs and to be a highly customer-centric organization through simplifying the buying process by providing choice, transparency of information, and a personalized customer experience. The Company's goal is to build long-term relationships with each of the individuals it serves and meet their needs throughout the stages of their lives regardless of the customer's plan type: employer-based, government-sponsored, or individual coverage.

Executing on Cigna's strategy, including the goals of achieving better health outcomes for our global customers, improving employee productivity and realizing medical cost savings is being achieved by:

focusing on delivery of **innovative health and wellness solutions** tailored to each of our employer and government clients;

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- ensuring that we **focus on the individual customer** by providing deep customer insights through customer research and feedback; and
- enhancing **collaboration with physicians and hospitals** to offer affordable access to value-based high-quality care.

In addition to investing in these capabilities, Cigna executed on its strategy during 2012 with three acquisitions that better position the Company in several key markets: seniors, individual and global supplemental. HealthSpring, the largest of the acquisitions, strengthens Cigna's ability to serve individuals across their life stages as well as deepens the Company's presence in a number of geographic markets. The addition of HealthSpring also brings industry leading physician partnership capabilities, deepens Cigna's existing client and customer relationships, and facilitates a broader deployment of Cigna's range of health and wellness capabilities and product offerings. The acquisition of Great American Supplemental Benefits strengthens Cigna's capabilities in the individual market in addition to allowing Cigna to expand into the Medicare supplemental business, and our

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joint venture with Finansbank expands Cigna's global footprint in Turkey.
Cigna is also focused on continuing to improve its strategic and financial flexibility by driving further operating expense efficiencies, improving its medical cost competitiveness in targeted markets and effectively managing balance sheet exposures. In 2013, Cigna reached a significant milestone in this strategy related to mitigating the financial exposure associated with the Run-off guaranteed minimum death benefit ("GMDB" also known as "VADBe") and guaranteed minimum income benefit ("GMIB") reinsurance businesses. Effective February 4, 2013, the Company entered into an agreement with Berkshire Hathaway Life Insurance Company of Nebraska ("Berkshire") to reinsure 100% of the Company's future exposures for these businesses, net of retrocessional arrangements in place as of February 4, 2013, up to a specified limit. See Note 25 to the Consolidated Financial Statements for additional information.

Financial Information about Business Segments

The financial information included herein is in conformity with accounting principles generally accepted in the United States of America ("GAAP"), unless otherwise indicated. Certain reclassifications have been made to prior years' financial information to conform to the 2012 presentation. Industry rankings and percentages set forth herein are for the year ended December 31, 2012 unless otherwise indicated. In addition, statements set forth in this document concerning Cigna's rank or position in an industry or particular line of business have been developed internally, based on publicly available information, unless otherwise noted.
Effective December 31, 2012, Cigna changed its external reporting segments to reflect the Company's realignment of its businesses to better leverage distribution and service delivery capabilities for the benefit of our global clients and customers. Management believes the realignment of its businesses will enable the Company to more effectively address global health services challenges by leveraging best practices across geographies to improve the health, well being and sense of security of the global customers that the Company serves. The changes in the Company's internal financial reporting structure, to support this realignment, took effect on December 31, 2012 and resulted in changes to our external reporting segments. The Company's results are now aggregated based on the nature of the Company's products and services, rather than its geographies.
The primary segment reporting change is that the two businesses that comprised the former International segment (international health care and supplemental health, life and accident) are now reported as follows:

- substantially all of the international health care business (comprised primarily of the global health benefits business) is now reported with the former Health Care segment and renamed ***Global Health Care***; and
- the supplemental health, life and accident business becomes a separate reporting segment named ***Global Supplemental Benefits***.

As a result of these changes, the financial results of Cigna's businesses are now reported in the following segments:

- Global Health Care aggregates the following two operating segments:
  - Commercial (including the international health care business)
  - Government
- Group Disability and Life
- Global Supplemental Benefits
- Run-off Reinsurance and
- Other Operations, including Corporate-owned Life Insurance.

Financial data for each of Cigna's business segments is set forth in Note 23 to the Consolidated Financial Statements. Prior year segment information has been conformed to the new segment structure.

Available Information

Cigna's annual, quarterly and current reports, proxy statements and other filings, and any amendments to these filings, are made available free of charge on its website (http://www.cigna.com, under the "Investors - Quarterly Reports and SEC Filings" captions) as soon as reasonably practicable after the Company electronically files these materials with, or furnishes them to, the Securities and Exchange Commission (the "SEC"). The Company uses its website as a channel of distribution for material company information. Important information, including news releases, analyst presentations and financial information regarding Cigna is routinely posted on

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and accessible at www.cigna.com. See "Code of Ethics and Other Corporate Governance Disclosures" in Part III, Item 10 beginning on page 130 of this Form 10-K for additional available information. Global Health Care">

B. Global Health Care

As explained in Item 1A "Description of Business", in the fourth quarter of 2012 Cigna changed its external reporting segments. The new Global Health Care segment (previously Health Care) now includes substantially all of the international health care business previously reported in the former International segment. This business, that is included in the Commercial operating segment, consists principally of global health benefits, products and services designed to meet the needs of local and multinational companies and organizations and their domestic and globally mobile employees and dependents.

Global Health Care aggregates the following two operating segments:

The ***Commercial*** operating segment includes both the U.S. commercial and international health care businesses and offers

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insured and self-insured medical, dental, behavioral health, vision, and prescription drug benefit plans, health advocacy programs and other products and services that may be integrated to provide comprehensive global health care benefit programs to employers and their employees, including globally mobile individuals. Cigna, either directly or through its partners, offers some or all of these products and services in all 50 states, the District of Columbia, the U.S. Virgin Islands, Canada, Europe, the Middle East, and Asia. Cigna services its globally mobile customers virtually everywhere in the world. These products and services are offered through a variety of funding arrangements such as administrative services only (ASO), guaranteed cost and retrospectively experience rated.

The ***Government*** operating segment offers Medicare Advantage plans to seniors in 13 states and the District of Columbia, Medicare Part D plans in all 50 states and the District of Columbia and Medicaid plans.

Global Health Care seeks to differentiate itself by providing superior customer insights, care delivery, product integration and unique product offerings. Global Health Care expects to accomplish these goals by deepening its reach in selected geographies and market segments as well as accelerating its engagement with preferred health care professionals. For its globally mobile customers, Global Health Care's strategic advantages include unique health care solutions, seamless worldwide care delivery and superior customer service.

With the exception of Health Maintenance Organization ("HMO"), Medicare, Medicaid and stop loss products, each of Global Health Care's group health benefit products are offered with alternative funding options (i.e.: administrative services only ("ASO" or "self-insured"), insured experience rated, and insured guaranteed cost). These funding options are further described on page 5 of this Form 10-K. Approximately 86% of the Company's commercial medical customers are enrolled in self-insured and experience-rated plans, where lower costs of providing health care directly benefit our corporate clients and their employees, with the remainder being insured under guaranteed cost plans.

Principal Products and Services

Cigna's principal health care products (discussed below) include:

Health Plans – group and individual medical coverage:

Commercial Medical: U.S. and International – medical plans covering domestic-based employees and, for certain multinational employers, their globally mobile employees. In order to engage customers in their health care choices, consumer-driven core medical plans are often combined with the Cigna Choice Fund suite of accounts.

Government – Medicare Advantage, Medicare Part D and Medicaid plans sold to Medicare or Medicaid-eligible individuals (primarily seniors).

Specialty Products – products and services that improve quality, lower the cost of medical services and help customers achieve better health outcomes. These products can be sold on a standalone basis but are most effective when integrated with a Cigna-administered health plan.

Financial information, including premiums and fees, is presented in the Global Health Care section of the MD&A beginning on page 41 and in Note 23 to Cigna's Consolidated Financial Statements beginning on page 119 of this Form 10-K.

Health Plans

Commercial Medical – U.S. and International

Managed Care Plans. Global Health Care offers a broad product line of managed care benefit plans that use meaningful coinsurance and copayment differences to encourage the use of "in-network" versus "out-of-network" health care providers and the use of primary care physicians. While these products offer access to a broad national network of "in-network" health care providers (that is somewhat smaller than the network used with the preferred provider ("PPO") plan product line), employers may elect to utilize a subset of Cigna's network to better manage costs and quality.

Preferred Provider Plans. Global Health Care also offers an open access product line that features a network with even broader access than the Managed Care Plans with no option to designate a primary care physician, in-network and out-of-network coverage, and may be at a somewhat higher medical cost.

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Choice Fund® suite of Consumer-Driven Products. In connection with many of the health care products described above, Global Health Care offers the Cigna Choice Fund suite of consumer-driven products, including *Health Reimbursement Accounts* ("HRA"), *Health Savings Accounts* ("HSA") and *Flexible Spending Accounts* ("FSA"). These plans can be used to pay medical care expenses not covered by a base medical plan and are designed to encourage customers to understand and manage their health and health benefits.

1. Cigna's Choice Fund HRA is funded by employer contributions and is often combined with a high deductible plan. HRA dollars can be rolled over from year-to-year at the plan sponsors' discretion.

2. HSA plans combine a high deductible health plan with a tax-advantaged savings account funded by customer contributions that offers mutual fund investment options. Funds in an HSA can be used to pay the deductible and other IRS-approved health care expenses. The health savings account is portable and unused funds accumulate from year to year.

3. An FSA allows customers to pay for IRS-approved health care expenses with pre-tax employee contributions. Unused funds in an FSA do not accumulate from year to year, but are forfeited by the employee.

Stop Loss Coverage. Global Health Care offers stop loss insurance coverage for self-insured plans. This stop loss coverage reimburses the plan for claims in excess of a predetermined amount, for individuals ("specific"), the entire group ("aggregate"), or both. Global Health Care also includes stop loss features in its experience-rated policies (discussed below).

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PART I
ITEM 1 Business

Government

Medicare Advantage. Cigna offers Medicare Advantage coordinated care plans in 13 states and the District of Columbia. Under a Medicare Advantage plan, Medicare-eligible beneficiaries may receive health care benefits, including prescription drugs, through a managed care health plan such as the Company's coordinated care plans, and the Centers for Medicare and Medicaid Services ("CMS") reimburse the Company pursuant to a risk adjustment payment methodology. Cigna ensures that our Medicare Advantage customers receive quality medical care through our innovative plan models that focus on developing highly engaged physician networks, aligning payment incentives to improved health outcomes, and using timely and transparent data sharing. Approximately 75% of our Medicare Advantage customers are served by physicians in these innovative models, and Cigna is focused on expanding these models in the future. The HealthSpring acquisition expanded the size of Cigna's Medicare Advantage customer base. As of December 31, 2012, HealthSpring represented 89% of Cigna's Medicare Advantage customer base. Cigna also offers Medicaid coverage to low income individuals in selected markets in the U.S. Cigna's Medicaid customers benefit from many of the coordinated care aspects of the Company's Medicare Advantage programs discussed above.

Medicare Part D. Cigna's Medicare Part D prescription drug program provides a number of plan options as well as service and information support to Medicare and Medicaid eligible customers. Cigna's Part D plans are available in all 50 states and the District of Columbia. These plans offer the savings of Medicare combined with the flexibility to provide enhanced benefits and a drug list tailored to individuals' specific needs. Retirees benefit from broad network access and value-added services that help keep them well and save them money. The HealthSpring acquisition expanded the size of Cigna's Medicare Part D customer base. As of December 31, 2012, HealthSpring represented 49% of Cigna's Medicare Part D customer base.

Specialty Products

Medical Specialty

Health Advocacy. Global Health Care offers a wide array of medical management, disease management, and other health advocacy services to employers and other plan sponsors to help individuals improve their health, well-being and sense of security. These services are offered to customers covered under Global Health Care's administered plans or plans insured or administered by competing insurers or third-party administrators. Cigna offers seamless integration of services that address the clinical and administrative challenges inherent in coordinating multiple vendors. Through its health advocacy programs, Global Health Care works to help healthy people stay healthy; help people change behaviors that put their health at risk; and assist those with problems in accessing quality care.

Health advocacy programs and services include: 1) early intervention by Cigna's network of clinical professionals; 2) Cigna's online health assessment, powered by insights and analytics from the University of Michigan Health Management Research Center, that helps customers identify potential health risks and learn what they can do to live a healthier life; 3) Cigna's Well Informed program, that uses clinical rules-based software to identify potential gaps and omissions in customers' health care by analyzing integrated medical, behavioral, pharmacy and lab data allowing Cigna to communicate the gaps to customers and their doctors; and 4) an array of health coaching offerings to address lifestyle management issues such as stress, weight, and tobacco cessation.

Cost Containment Service. Cigna administers cost containment programs for health care services and supplies that are covered under health benefit plans. These programs, that may involve contracted vendors, are designed to control health costs by reducing out-of-network utilization, including educating customers regarding the availability of lower cost in-network services, reviewing provider bills, and recovering overpayments from other insurance carriers or health care professionals. Cigna charges fees for providing or arranging for these services.

Behavioral Specialty

Behavioral Health. Cigna arranges for behavioral health care services for customers through its network of participating behavioral health care professionals. Cigna offers behavioral health care case management services, employee assistance programs (EAP), and work/life programs to employers, government entities and other groups sponsoring health benefit plans. Cigna Behavioral Health focuses on integrating its programs and services with medical, pharmacy and disability programs to facilitate customized, holistic care.

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As of December 31, 2012, Cigna's behavioral network had approximately 118,000 access points to independent psychiatrists, psychologists and clinical social workers and approximately 9,800 facilities and clinics that are reimbursed on a contracted fee-for-service basis.

Cigna Pharmacy Management

Cigna Pharmacy Management. Cigna Pharmacy Management offers prescription drug plans to its insured and self-funded customers both in conjunction with its medical products and on a stand-alone basis. With a network of over 64,000 contracted pharmacies, Cigna Pharmacy Management is a comprehensive pharmacy benefits manager (PBM) offering clinical integration programs, specialty pharmacy solutions, and fast, efficient home delivery of prescription medicines.

Programs that facilitate this integration of medical, behavioral and pharmacy offerings include the *Well Informed* program, that is focused on chronic conditions requiring strict compliance with a prescription drug therapy such as asthma, diabetes, back pain or high cholesterol, as well as *Step Therapy*, that encourages customers to use generic and/or preferred brand drugs rather than higher cost brand-named drugs. *Step Therapy* is implemented through claim management protocols, that may include communications with customers and their physicians. The Company coordinates pharmacy management with all of Cigna's health advocacy programs and tools by focusing on patient education, including emphasizing the importance of adhering to medication instructions.

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Cigna Specialty Pharmacy Management. Cigna's administered medical and pharmacy coverage can meet the needs of customers with complex conditions that require specialty pharmaceuticals. These types of medications are covered under both pharmacy and medical benefits and can be expensive, often requiring associated lab work and administration by a health care professional. Therefore, coordination is critical in improving affordability and outcomes. Clients with Cigna-administered medical and pharmacy coverage benefit from continuity of care, integrated reporting, and aggressive unit cost discounts on all specialty drugs – regardless of where they are administered.

Cigna Home Delivery Pharmacy. Cigna also offers cost-effective mail order, telephone and on-line pharmaceutical fulfillment services through its home delivery operation. Cigna Home Delivery Pharmacy provides a high-quality, efficient home delivery pharmacy distinguished by individual care relating to compliance and specialty medications. Orders may be submitted through the mail, via phone or through the internet at myCigna.com.

Dental and Vision

Dental. Cigna Dental Health offers a variety of dental care products including dental health maintenance organization plans ("Dental HMO"), dental preferred provider organization ("Dental PPO") plans, dental exclusive provider organization plans, traditional dental indemnity plans and a dental discount program. Employers and other groups can purchase Cigna Dental Health products as stand-alone products or integrated with Global Health Care's medical products. Additionally, individual customers can purchase Dental PPO plans in conjunction with individual medical policies. As of December 31, 2012, Cigna Dental Health customers totaled approximately 11.4 million. Most of these customers are in self-insured plans. All of Cigna's Dental HMO customers participate in guaranteed cost insured plans. Managed dental care products are offered in 37 states for Dental HMO and 42 states and the District of Columbia for Dental PPO through a network of independent health care professionals that have contracted with Cigna Dental Health to provide dental services.

Cigna Dental Health customers access care from one of the largest dental PPO networks and dental HMO networks in the U.S., with approximately 266,400 Dental PPO-contracted access points (approximately 99,200 unique health care professionals) and approximately 68,600 Dental HMO-contracted access points (approximately 18,000 unique health care professionals).

Cigna Dental Health stresses preventive dentistry; it believes that promoting preventive care contributes to a healthier workforce, an improved quality of life, increased productivity and fewer treatment claims and associated costs over time. Cigna Dental Health offers customers a dental treatment cost estimator to educate customers on oral health and aid them in their dental health care decision-making.

Vision. Cigna Vision offers flexible, cost-effective PPO coverage that includes a range of both in and out-of-network benefits for routine vision services. Cigna's national vision care network, which consists of approximately 57,500 health care professionals in approximately 23,500 locations, includes private practice ophthalmologist and optometrist offices, as well as retail eye care centers. Routine vision products are offered in conjunction with Global Health Care's medical and dental product offerings.

Funding Arrangements

The segment's commercial medical products and services are offered through the following funding arrangements:

- Administrative Services Only (80% of commercial medical customers);
- Insured – Guaranteed Cost (14% of commercial medical customers); and
- Insured – Shared Returns[SM] (6% of commercial medical customers).

Administrative Services Only. Global Health Care contracts with employers, unions and other groups sponsoring self-insured plans on an administrative services only ("ASO") basis to administer claims and perform other plan related services. The key features of an ASO funding arrangement are:

- Global Health Care collects administrative service fees in exchange for providing these self-insured plans with access to Global Health Care's applicable participating provider network and for providing other services and programs including: claim administration; quality management; utilization management; cost containment; health advocacy; 24-hour help line; 24/7 call center; case management; disease management; pharmacy benefit management; behavioral health care management services (through its provider networks); or any combination of these services.

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The self-insured plan sponsor is responsible for self-funding all claims, but may purchase stop loss insurance from Global Health Care or other insurers for claims in excess of a predetermined amount, for either individuals ("specific"), the entire group ("aggregate"), or both.

In some cases, Global Health Care provides performance guarantees associated with meeting certain service standards, clinical outcomes, or financial metrics. If these service standards, clinical outcomes, or financial metrics are not met, Global Health Care may be financially at risk up to a stated percentage of the contracted fee or a stated dollar amount. Global Health Care does not recognize revenues for estimated payouts associated with these guarantees. See Note 2 to the Consolidated Financial Statements for details regarding these guarantees.

Insured - Guaranteed Cost. Charges to policyholders under an insured, guaranteed cost policy are established at the beginning of the policy period and are not adjusted to reflect actual claim experience during the policy period. Accordingly, Global Health Care bears the risk for claims and costs. Generally, guaranteed cost policyholder groups are smaller than retrospectively experience-rated groups; accordingly, claim and expense assumptions may be based in whole or in part on prior experience of the policyholder or on a pool of accounts, depending on the policyholder's size and the statistical credibility of the experience.

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Insured - Shared Returns[SM] *(also referred to as experience-rated).* Under a Shared Returns funding arrangement, the premium determined at the beginning of the policy period may be adjusted for the actual claim and, in some cases, administrative cost experience of the policyholder. Favorable cost experience in relation to the premium rates may result in a portion of the initial premiums being credited to the policyholder as an experience refund. However, if claims and expenses exceed the initial premiums (an "experience deficit"), Global Health Care generally bears the risk. These experience deficits may be recovered through future year surpluses, according to contractual provisions, provided the policy remains in force.

Minimum premium funding arrangements combine insurance protection with an element of self-funding. Key features of insurance policies using a minimum premium funding arrangement are summarized below:

- The policyholder is responsible for funding a bank account to pay all claims up to a predetermined aggregate, maximum monthly amount, and Global Health Care bears the risk for claim costs incurred in excess of that amount.
- The policyholder must maintain an agreed-upon amount in the account.
- The policyholder pays a significantly reduced monthly "residual" premium while the policy is in effect and a supplemental premium (to cover reserves for run-out claims and administrative expenses) upon termination.
- Global Health Care may recover deficits from surplus amounts in future years if the policy is renewed.

Liabilities are established for estimated experience refunds based on the results of Shared Returns (retrospectively experience-rated) policies and applicable contract terms. Global Health Care credits interest on experience refund balances to these policyholders using rates that are set at Global Health Care's discretion, taking investment performance and market rates into consideration. For 2012, the rates of interest credited ranged from 0.5% to 3.5%, with a weighted average rate of approximately 1%.

Pricing and Reinsurance

Pricing. Premium rates for insured funding arrangements are based on assumptions about the expected utilization levels of medical services, costs of medical services and the Company's administrative costs. The profitability of these arrangements will vary by the actual utilization level of medical services, the cost of the services provided and the costs to administer the benefit programs and the premium charged. In some states, premium rates must be approved by the state insurance department and state laws may restrict or limit the use of rating methods. Premium rates for groups and individuals are subject to state and/or the United States Department of Health and Human Services ("HHS") review for unreasonable increases.

The Patient Protection and Affordable Care Act ("Health Care Reform") requires Cigna's comprehensive medical insurance products to meet a minimum medical loss ratio ("MLR") of 85% for large groups (generally defined as employers with more than 50 employees) and 80% for small groups and individuals. Regulations issued by the U.S. Department of Health and Human Service ("HHS") require the MLR to be calculated on a state-by-state basis for each separate insurance company or HMO, and then separately within each state for large groups, small groups and individuals. The MLR is determined generally as the sum of claims plus health care quality improvement expenses divided by premiums less taxes and assessments. HHS regulations permit adjustments to be made to the claims used in the calculation for Cigna's international health care and limited benefit plans subject to the MLR minimums. The adjustment for limited benefit plans is only permitted through 2014. To the extent the MLR minimums are not met for large groups, small groups or individual segments within each state, premium rebates are paid to both employers and customers enrolled in the plans based on the portion of the premium each has contributed. Approximately 20% of Cigna's commercial customers are enrolled in insured plans subject to the MLR requirements. For additional information related to the effects of Health Care Reform on these businesses, see the Regulation section of this Form 10-K.

Medicare Advantage pricing is determined based upon expected medical services utilization and costs resulting from CMS-required services and Company-specific supplemental plan benefits, as well as expected administrative expenses and profit margin. Revenue for each plan customer is received from CMS, with CMS providing a subsidy payment based on customer demographic data and expected customer health risk factors compared to the broader Medicare population. Additional revenue from CMS may be earned by the Company related to quality performance measures. In many markets, the customer pays no premium. In some situations, additional premiums may be received from customers, representing the difference between CMS subsidy payments and the revenue assumed by the Company

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as part of its annual Medicare Advantage bid submissions. Profits from our Medicare Advantage plans vary depending on the actual utilization of medical services, the cost of services provided, the costs to administer the benefit programs, and the receipt of quality performance revenue from CMS. Beginning in 2014, Health Care Reform requires Medicare Advantage and Medicare Part D plans to meet a minimum MLR of 85%. Under the rules proposed by HHS, if the MLR for a CMS contract is less than 85%, the contractor is required to pay a penalty to CMS and could be subject to additional sanctions if the MLR continues to be less than 85% for successive years.

Pricing for self-funded arrangements is generally based on the expected cost to administer these arrangements and will vary by the services provided and the size and complexity of the benefit programs, among other factors.

Reinsurance. Cigna's international health care business reduces its exposure to large catastrophic losses under insurance contracts by purchasing reinsurance from unaffiliated reinsurers.

Service and Quality

Customer Service

For U.S.-based customers, Global Health Care operates 19 service centers that together processed approximately 154 million medical claims in 2012. Cigna recognizes that customers with significant

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health events may have additional customer service needs. As of December 31, 2012, Cigna operated 13 call centers and a virtual team that customers can call toll-free about their health care benefits, wellness programs and claims. Ten of these call centers are available 24 hours a day, 365 days a year. The remaining three, that service HealthSpring providers and customers, operate for extended hours during high volume periods to accommodate customer demands. Cigna offers the "My Personal Champion" program that provides qualified customers with a dedicated point of contact. Personal Champions serve as a resource for benefits and claims questions, assist with navigating the complex health care industry, and offer education and support to customers and their families. As of December 31, 2012, approximately 5 million Cigna customers had access to the My Personal Champion program.
With over 1.2 million customers across the globe, Cigna's international health care business continues to be a leader in providing quality customer service. Its globally mobile customers have access to medical professionals, case management experts and claims specialists 24 hours a day, 365 days a year, through service centers dedicated to their unique needs. Cigna uses a wide range of measurement tools to better understand customers' needs - ranging from quick 5-minute surveys of a customer's call-center experience to more elaborate tracking of loyalty as measured by customers' likelihood to refer Cigna to a friend.
Technology. Global Health Care understands the important role that information technology plays in improving the level of service that Cigna can provide to its customers, which is critical to the continued growth of the Company's health care business and its focus on customer-centricity. Accordingly, Global Health Care continues to invest in its information technology infrastructure and capabilities including innovative mobile tools and Internet-enabled technology that support Global Health Care's focus on providing customers with a personalized experience in making health care decisions and leveraging customer insights to drive the Company's strategy and mission.

Quality Medical Care

Global Health Care's commitment to promoting quality medical care to its customers is reflected in a variety of activities. Most recently, Cigna has focused on collaborating with physicians and other health care professionals and facilities with the goal of improving quality and customer satisfaction while lowering medical costs. This focus has manifested itself through the rapid expansion of collaborative accountable care organizations developed by Cigna as well as the innovative physician engagement models acquired with HealthSpring in 2012. As of December 31, 2012, almost one million medical customers are serviced by physicians compensated under these types of arrangements.
Collaborative Accountable Care Organizations (CAC). As of December 31, 2012, Cigna has established over 50 CACs, and expects to continue to expand these arrangements. The overall objective of these organizations is to improve the quality of care and service experience for customers while lowering their costs, resulting in improved overall value. The goal is to identify health care delivery organizations (medical groups and hospital organizations) that can coordinate end-to-end care for a defined population of patients and share timely, patient-specific medical information with the physician group. Each CAC has an embedded care coordinator that supports patient care and care plan development. The coordinator uses patient-specific information supplied by Cigna to conduct proactive outreach to coordinate care for patients in three categories: i) patients who are being discharged from the hospital who are at risk for readmission; ii) patients with high priority gaps in care; and iii) patients with high health risk scores based on Cigna's predictive models. This approach leverages the role of the physician as the trusted advisor. With the innovative physician engagement models acquired with HealthSpring, we utilize a variety of business arrangements that shift the physician's reimbursement from the traditional fee-for-service approach to one that is focused on rewarding quality medical outcomes and an enhanced customer experience at a lower cost. In these arrangements, the physician group shares financial risk with Cigna. The HealthSpring clinical model also includes outreach to new and at-risk customers to ensure they are accessing their primary care physician.
Cigna also continues to engage in a variety of other medical quality activities, including: credentialing medical health care professionals and facilities that participate in Global Health Care's Managed Care and PPO networks as well as developing the Cigna Care Network^{SM} specialist physician designation described below.
Participating Provider Network. Cigna has an extensive network of participating health care professionals and hospitals, as well as other facilities, pharmacies and vendors of health care services and supplies. In most instances, Global Health Care contracts directly with the participating hospital, health care professional or other facility to provide covered services to customers at agreed-upon rates of reimbursement. In some instances, however, Global Health Care companies contract with third parties for access to their provider

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networks and care management services. In addition, Global Health Care has entered into strategic alliances with several regional managed care organizations (Tufts Health Plan, HealthPartners, Inc., Health Alliance Plan, and MVP Health Plan) to gain access to their provider networks and discounts.

Cigna Medical Group. Cigna Medical Group is the multi-specialty medical group practice division of Cigna HealthCare of Arizona, Inc. that delivers primary care and certain specialty care services through 25 medical facilities and approximately 190 employed clinicians in the Phoenix, Arizona metropolitan area. Twenty-two of these multi-specialty health care centers and their affiliated primary care physicians have received the top level of accreditation (level 3) from the National Committee for Quality Assurance (NCQA) a private, nonprofit organization dedicated to improving health care quality. Cigna Medical Group currently holds the highest level of this accreditation for the greatest number of practices and physicians in the state of Arizona.

*Cigna Care Network*SM. Cigna Care Network is a benefit design option available for Global Health Care administered plans in 69 service areas across the U.S. Cigna Care Network's designated physicians are a subset of participating physicians in certain specialties who are so designated based on specific clinical quality and cost-efficiency selection criteria. Customers pay reduced co-payments or co-insurance when they receive care from a specialist designated as a

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Cigna Care Network provider. Participating specialists are evaluated regularly for the Cigna Care Network designation.

Provider Credentialing. Global Health Care credentials physicians, hospitals and other health care professionals in its participating provider networks using quality criteria that meet or exceed the standards of external accreditation or state regulatory agencies, or both. Typically, most health care professionals are re-credentialed every three years.

External Validation. Cigna continues to demonstrate its commitment to quality and has a broad scope of quality programs validated through nationally recognized external accreditation organizations. Cigna was awarded Excellent, Commendable or Accredited for Health Plan accreditation from NCQA in 36 of our markets. Additional NCQA recognitions include Full Accreditation for Managed Behavioral Healthcare Organization accreditation for Cigna Behavioral Health, Performance Reporting for Wellness & Health Promotion accreditation for Cigna's wellness programs and Physician & Hospital Quality Certification for Cigna's provider transparency program. Cigna has Full Accreditation for Health Utilization Management, Case Management and Pharmacy Benefit Management from URAC, an independent, nonprofit health care accrediting organization dedicated to promoting health care quality through accreditation, certification and commendation.

HEDIS® Measures. In addition, Global Health Care participates in the NCQA's Health Plan Employer Data and Information Set ("HEDIS®") Quality Compass Report, whose Effectiveness of Care measures are a standard set of metrics to evaluate the effectiveness of managed care clinical programs. Global Health Care's national results compare favorably to industry averages.

Markets and Distribution

Global Health Care offers products in the following customer markets:

- National segment – these employers have 5,000 or more U.S.-based, full-time employees living in two or more states.
- Middle Market segment – comprised of employers with 250 to 4,999 U.S.-based, full-time employees located in one or more states with a majority of their full-time employees living and working in the same state. This segment also includes single site employers with more than 250 employees, Taft-Hartley plans and other third party payers.
- Select segment – focused on employers with 51-249 eligible employees and provides ASO and guaranteed cost funding solutions. Select also provides ASO funding to employers with a minimum of 25 employees.
- Individual – Global Health Care actively markets health and dental insurance to individuals in ten states as of December 31, 2012, including Arizona, California, Colorado, Connecticut, Florida, Georgia, North Carolina, South Carolina, Tennessee and Texas.
- Seniors (Medicare) – focused on the health care needs of individuals who are pre- or post-65 retirees and employers who offer coverage to their pre- and post-65 retirees.
- International Health Care – focused on health care products and services to meet the needs of local and multinational companies and organizations and their local and globally mobile employees and dependents.

Global Health Care employs sales representatives to distribute its products and services through insurance brokers and insurance consultants or directly to employers, unions and other groups. Global Health Care also employs representatives to sell utilization review services, managed behavioral health care, pharmacy, and employee assistance services directly to insurance companies, HMOs, third party administrators and employer groups. As of December 31, 2012, the field sales force for the products and services of this segment consisted of approximately 1,160 sales representatives in approximately 115 field locations. With respect to the acquired HealthSpring business, Medicare Advantage enrollment is generally a decision made individually by the customer, and accordingly, sales agents and representatives focus their efforts on in-person contacts with potential enrollees as well as telephonic and group selling venues.

Competition and Industry Developments

Global Health Care's business is subject to intense competition and continuing industry consolidation that has created an even more competitive business environment. In certain geographic locations, some health care companies may have significant market share positions, but no one competitor dominates the health care market nationally. Global Health Care expects a continuing trend of consolidation in the industry given the current economic and political environment. Global Health Care also expects continued vertical integration, with the line blurring between clinicians and hospitals, and traditional insurers.

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Competition in the health care market exists both for employers and other groups sponsoring plans and for the employees in those instances where the employer offers its employees a choice of products from more than one health care company. Most group policies are subject to annual review by the policyholder, who may seek competitive quotations prior to renewal. As Health Care Reform is implemented, Cigna expects competition to increase in the individual market as individual customers seek to purchase insurance for themselves or their families.

The primary competitive factors are quality and cost-effectiveness of service and provider networks; effectiveness of medical care management; products that meet the needs of clients and their employees; price; total cost management; technology; and effectiveness of marketing and sales. Financial strength of the insurer, as indicated by ratings issued by nationally recognized rating agencies, is also a competitive factor. Cigna believes that its health advocacy capabilities, holistic approach to consumer engagement, breadth of product offerings, clinical care and medical management capabilities and funding options are competitive advantages. These advantages allow Cigna to respond to the diverse needs of its customer base. Cigna also believes that its focus on helping to improve the health, well-being and sense of security of its customers will allow it to differentiate itself from its competitors.

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Cigna's principal competitors in its U.S.-based business are:

- other large insurance companies that provide group health and life insurance products;
- Blue Cross and Blue Shield organizations;
- stand-alone HMOs and PPOs;
- HMOs affiliated with major insurance companies and hospitals; and
- national managed pharmacy, behavioral health and utilization review services companies.

The primary competitors of the international health care business include U.S.-based and European health insurance companies with global health benefits operations. For the Company's international health care operations in the United Kingdom and Spain, the primary competitors are regional and local insurers.

Competition also arises from smaller regional or specialty companies with strength in a particular geographic area or product line, administrative service firms and, indirectly, self-insurers. In addition to these traditional competitors, a new group of competitors is emerging. These new competitors are focused on delivering employee benefits and services through Internet-enabled technology that allows consumers to take a more active role in the management of their health. This is accomplished primarily through financial incentives, access to enhanced medical quality data and other information sharing. The effective use of the Company's health advocacy, customer insight and physician engagement capabilities, along with decision support tools (some of which are web-based) and enabling technology are critical to success in the health care industry, and Cigna believes its capabilities in these areas will be competitive differentiators.

On February 15, 2013, CMS issued its Advance Notice of Methodological Changes for Calendar Year (CY) 2014 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies (the "Notice"). CMS is accepting comments on the Notice, and final terms are expected to be published on April 1, 2013. While management believes that a significant number of comments from interested parties (including Cigna) will be provided to CMS, there can be no assurance that CMS will amend its current position. Given the uncertainty regarding the final terms of the Notice, the Company cannot estimate the impact that it will have on its business, revenues or results of operations but recognizes that any impacts could be materially adverse. Accordingly, the Company is currently evaluating the potential implications of the Notice, including adjustments that the Company may make to the programs and services it offers to offset any adverse impacts.

Group Disability and Life">

C. Group Disability and Life

Cigna's Group Disability and Life segment provides the following insurance products and their related services: group long-term and short-term disability insurance, group life insurance and accident and specialty insurance. These products and services are provided by subsidiaries of Cigna Corporation. Cigna markets products in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Canada.

Principal Products and Services

Disability

Long-term and short-term disability insurance products and services generally provide a fixed level of income to replace a portion of wages lost because of disability. Cigna also provides assistance to employees in returning to work and assistance to their employers in managing the cost of employee disability. Group disability coverage is typically employer-paid or a combination of employer and employee-paid, but may also include coverage paid for entirely by employees.

Cigna is an industry leader in returning employees to work quickly, resulting in higher productivity and lower cost for employers and a better quality of life for their employees. Cigna's disability insurance products may be integrated with other disability benefit programs, behavioral programs, medical programs, social security advocacy, and leave of absence administration. Cigna believes this integration provides customers with increased efficiency and effectiveness in disability claims management, enhances productivity and reduces overall costs to employers. Coordinating the administration of the segment's disability programs with medical programs offered by Cigna HealthCare provides enhanced opportunities to influence outcomes, reduce the cost of both medical and disability events and improve the return to work rate. Examples of the benefits of this integrated approach (for which Cigna may receive fees) include:

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- using information from the health care and disability databases to help identify, treat and manage disabilities before they become chronic, longer in duration and more costly; and
- proactive outreach from Cigna Behavioral Health to assist employees suffering from a mental health condition, either as a primary condition or as a result of another condition.

As measured by 2012 premiums and fees, disability constituted approximately 45% of this segment's business. Approximately 12,300 insured disability policies covering approximately 6.5 million lives were outstanding as of December 31, 2012.

Life Insurance

Life insurance products offered by Group Disability and Life include group term life and group universal life. Group term life insurance may be employer-paid basic life insurance, employee-paid supplemental life insurance or a combination thereof.

Group universal life insurance is a voluntary life insurance product in which the owner may accumulate cash value. The cash value earns interest at rates declared from time to time, subject to a minimum guaranteed contracted rate, and may be borrowed, withdrawn, or, within certain limits, used to fund future life insurance coverage.

As measured by 2012 premiums and fees, group life insurance constituted approximately 46% of this segment's business. Approximately 6,200 group life insurance policies covering approximately 5.6 million lives were outstanding as of December 31, 2012.

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Other Products and Services

Cigna offers personal accident insurance coverage, which consists primarily of accidental death and dismemberment and travel accident insurance to employers. Group accident insurance may be employer-paid or employee-paid.

Cigna also offers specialty insurance services that consist primarily of disability and life, accident, and hospital indemnity products to professional or trade associations and financial institutions.

Voluntary benefits are those paid by the employee and are offered at the employer's worksite. Cigna plans provide employers, among other services, flexible enrollment options, list billing, medical underwriting, and individual record keeping. Cigna designed its voluntary offerings to offer employers a complete and simple way to manage their benefits, including personalized enrollment communication and administration of the benefits program.

Financial information, including premiums and fees, is presented in the Group Disability and Life section of the MD&A beginning on page 44 and in Note 23 to Cigna's Consolidated Financial Statements.

Pricing and Reinsurance

This segment's products and services are offered on a fully insured, experience-rated and ASO basis. Under fully insured arrangements, policyholders pay a fixed premium and Cigna bears the risk for claims and costs. Under experience-rated funding arrangements, a premium that typically includes a margin to partially protect against adverse claim fluctuations is determined at the beginning of the policy period. Cigna generally bears the risk if claims and expenses exceed this premium. If premiums exceed claims and expenses, any surplus amount is generally first used to offset prior deficits and is otherwise generally returned to the policyholder if surplus exceeds minimum contractual levels. With experience-rated insurance products, Cigna may recover deficits from margins in future years if the policy is renewed. Under ASO arrangements, Cigna contracts with groups sponsoring self-insured plans to administer claims and perform other plan related services in return for service fees. The self-insured plan sponsor is responsible for self funding all claims. The majority of this segment's products and services are fully insured.

Premiums and fees charged for disability and life insurance products are generally established in advance of the policy period and are generally guaranteed for one to three years and selectively guaranteed for up to five years, but policies are generally subject to early termination by the policyholder or by the insurance company. Premium rates reflect assumptions about future claims, expenses, credit risk, investment returns and profit margins. Assumptions may be based in whole or in part on prior experience of the account or on a pool of accounts, depending on the group size and the statistical credibility of the experience, that varies by product.

Premiums for group universal life insurance products consist of mortality, administrative and surrender charges assessed against the policyholder's fund balance. Interest credited and mortality charges for group universal life, and mortality charges on group variable universal life, may be adjusted prospectively to reflect expected interest and mortality experience. Mortality charges are subject to guaranteed maximum rates stated in the policy.

The profitability of this segment's products depends on the adequacy of premiums charged and investment returns relative to claims and expenses. The effectiveness of return to work programs and mortality levels also impact the profitability of disability insurance products. Cigna's previous claim experience and industry data indicate a correlation between disability claim incidence levels and economic conditions, with submitted claims rising under adverse economic conditions, although the impact of the current adverse economic conditions is not clear. For life insurance products, the degree to which future experience deviates from mortality, morbidity and expense assumptions also affects profitability.

In order to reduce its exposure to large individual and catastrophic losses under group life, disability and accidental death policies, Cigna purchases reinsurance from unaffiliated reinsurers.

Markets and Distribution

Cigna markets the group insurance products and services described above to employers, employees, professional and other associations and groups in the following customer segments:

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- National segment – these are multi-site employers generally with more than 5,000 employees;
- Middle Market segment – generally defined as multi-site employers with more than 250 but fewer than 5,000 employees, and single-site employers with more than 250 employees; and
- Select segment – generally includes employers with more than 50 but fewer than 250 employees.

In marketing these products, Cigna primarily sells through insurance brokers and consultants and employs a direct sales force. As of December 31, 2012, the field sales force for the products and services of this segment consisted of approximately 200 sales professionals in 27 office locations.

Competition

The principal competitive factors that affect the Group Disability and Life segment are underwriting and pricing, the quality and effectiveness of claims management, relative operating efficiency, investment and risk management, distribution methodologies and producer relations, the breadth and variety of products and services offered, and the quality of customer service. For certain products with longer-term liabilities, such as group long-term disability insurance, the financial strength of the insurer, as indicated by ratings issued by nationally recognized rating agencies, is also a competitive factor.

The principal competitors of Cigna's group disability, life and accident businesses are other large and regional insurance companies that market and distribute these or similar types of products. As of December 31, 2012, Cigna is one of the top five providers of group disability, life and accident insurance in the United States, based on premiums.

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Industry Developments and Strategic Initiatives

The group insurance market remains highly competitive as the rising cost of providing medical coverage to employees has forced companies to re-evaluate their overall employee benefit spending. Demographic shifts have further driven demand for products and services that are sufficiently flexible to meet the evolving needs of employers and employees who want innovative, cost-effective solutions to their insurance needs. Employers continue to shift towards greater employee participatory coverage and voluntary purchases. Employers are also expressing a growing interest in employee wellness, absence management and productivity and recognizing a strong link between health, productivity and their profitability. As this interest grows, Cigna believes it is well positioned to deliver integrated solutions that address these broad employer and employee needs through its programs that promote a healthy lifestyle, offer assistance in returning to work and integrate health care and disability programs. Cigna also believes that its strong disability management portfolio and fully integrated programs provide employers and employees tools to improve health status. This focus on managing the employee's total absence enables Cigna to increase the number and likelihood of interventions and minimize disabling events.

There is heightened review by state regulators of group disability insurance industry business and reporting practices. Cigna is frequently the subject of regulatory market conduct and other reviews, audits and investigations by state insurance departments.

Global Supplemental Benefits">

D. Global Supplemental Benefits

As explained in Item 1A "Description of Business", in the fourth quarter of 2012, Cigna changed its external reporting segments. The Global Supplemental Benefits segment is comprised of the international supplemental health, life and accident businesses (previously reported in the former International segment) as well as the Medicare supplement business acquired in 2012.

This segment offers supplemental health, life and accident insurance products in the U.S. and selected international markets. With local licenses and partnerships in approximately 20 countries and jurisdictions, Cigna is able to offer products and services to local citizens and globally mobile individuals. These products and services are provided by subsidiaries of Cigna Corporation, including foreign operating entities.

Cigna continues to distinguish itself in the global supplemental health, life and accident businesses through its differentiated direct to consumer distribution, customer insights and marketing capabilities. Cigna enters new markets when the opportunity to bring its product and health solutions is attractive. In 2012, Cigna extended its reach in Turkey through the joint venture with Finansbank and expanded into the U.S. Medigap and supplemental lines of business through acquisition. The 2011 acquisition of FirstAssist in the U.K. added a travel insurance product line and expanded the Company's distribution channels.

Principal Products and Services

Supplemental Health, Life and Accident Insurance

These insurance products generally provide simple, affordable coverage of risks for the health and financial security of individuals. Supplemental health products provide specified payments for a variety of health risks and include personal accident, accidental death, critical illness, hospitalization, travel, dental, cancer and other dread disease coverages. Term life and individual private medical insurance as well as variable universal life insurance and other savings products are also included in the product portfolio. Cigna's supplemental health, life and accident insurance products are offered in South Korea, Taiwan, Indonesia, Hong Kong, the United States, the European Union, China, New Zealand, Thailand and Turkey. Cigna owns a 50% interest in a Chinese joint venture and a 51% interest in a joint venture in Turkey, through which its products and services are offered. Cigna continues to work with its partner in India to establish a health insurance company that will operate as a joint venture upon licensing. Licensing is expected to occur in 2013.

Medicare Supplement Plans

Through its 2012 acquisition, Cigna also offers individual Medicare Supplement plans that provide retirees with federally standardized Medigap-style plans. Retirees may select amongst the various plans with specific plan options to meet their unique needs and may visit any health care professional or facility that accepts Medicare throughout the U.S. – with no referrals required.

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Financial information, including premiums and fees, is presented in the Global Supplemental Benefits section of the MD&A beginning on page 46 and in Note 23 to Cigna's Consolidated Financial Statements.

Pricing and Reinsurance

Premium rates for Cigna's global supplemental benefits products are based on assumptions about mortality, morbidity, customer acquisition and retention, expenses and target profit margins, as well as interest rates. The profitability of these products is primarily driven by the adequacy of mortality and morbidity assumptions used, and customer retention.

Fees for variable universal life insurance products consist of mortality, administrative, asset management and surrender charges assessed against the contractholder's fund balance. Mortality charges on variable universal life may be adjusted prospectively to reflect expected mortality experience. The profitability of these products is primarily driven by the policyholders' fund balances on which fees are charged as well as customer retention.

Premium rates and fees for Medicare supplement products reflect assumptions about future claims, customer retention, expenses, customer demographics, investment returns, and profit margins.

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PART I

ITEM 1 Business

Most contracts permit premium rate changes at least annually. The profitability of Medicare supplement products is dependent upon the accuracy of projections for health care inflation (unit cost and utilization), customer retention, customer demographics, and the adequacy of fees charged for administration.

The operations of Cigna's Global Supplemental Benefits segment are diversified by line of business. South Korea, however, represents the single largest geographic market for this segment. In 2012, South Korea generated 54% of this segment's revenues and 90% of its segment earnings. For information on the concentration of risk with respect to the Global Supplemental Benefits segment's business in South Korea, see "Other Items Affecting Results of Global Supplemental Benefits" in the Global Supplemental Benefits section of the MD&A beginning on page 46 of this Form 10-K.

A global approach to underwriting risk management allows for each local business to underwrite and accept risk within specified limits. Retentions are centrally managed through cost effective use of external reinsurance to limit segment liability on a per life, per risk, and per event (catastrophe) basis.

Markets and Distribution

Cigna's supplemental health, life and accident insurance products sold in foreign countries are generally marketed through distribution partners with whom the individual insured has an affinity relationship. These products are sold primarily through direct marketing channels, such as outbound telemarketing and in-branch bancassurance (where Cigna partners with a bank and uses the bank's sales channels to sell its insurance products). Marketing campaigns are conducted through these channels under a variety of arrangements with affinity partners. These affinity partners primarily include banks, credit card companies and other financial and non-financial institutions. Cigna also markets directly to consumers via direct response television and the Internet.

Cigna's Medicare supplement product line acquired in 2012 is primarily distributed through independent agents and telemarketing directly to the consumer.

For Cigna's supplemental health, life and accident insurance products sold in foreign markets, a significant portion of premiums are billed and collected through credit cards. A substantial contraction in consumer credit could impact Cigna's ability to retain existing policies and sell new policies. A decline in customer retention would result in both a reduction of revenue and an acceleration of the amortization of acquisition related costs. Changes in regulation around permitted distribution channels may also impact Cigna's business or results. See the Regulation section beginning on page 14 and the Risk Factors section beginning on page 19 of this Form 10-K.

Competition

Competitive factors in Cigna's supplemental health, life and accident and health care businesses include product and distribution innovation and differentiation, efficient management of marketing processes and costs, commission levels paid to distribution partners, and quality of claims and customer services. In most overseas markets, perception of financial strength is also an important competitive factor.

For Cigna's supplemental health, life and accident insurance businesses operating in foreign markets, competitors are primarily locally based insurance companies, including insurance subsidiaries of banks primarily in Asia and Europe as well as multi-national companies. Insurance company competitors in this segment primarily focus on traditional product distribution through captive agents, with direct marketing being secondary channels. Cigna estimates that it has less than 2% market share of the total life insurance premiums in any given market in which it operates.

The principal competitive factors that affect Cigna's Medicare supplement business are underwriting and pricing, relative operating efficiency, broker relations, and the quality of claims and customer service.

The primary competitors of the Medicare supplement business include U.S.-based health insurance companies.

Cigna expects that the competitive environment will intensify as U.S. and Europe-based insurance and financial services providers pursue global expansion opportunities.

Industry Developments

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Pressure on social health care systems and increased wealth and education in emerging markets are leading to higher demand for products providing health insurance and financial security. In the supplemental health, life and accident business, direct marketing channels are growing and attracting new competitors while industry consolidation among financial institutions and other affinity partners continues. See "Risk Factors" beginning on page 19 of this Form 10-K for a discussion of risks related to the Global Supplemental Benefits segment.
Run-off Reinsurance">

E. Run-off Reinsurance

Until 2000, Cigna offered reinsurance coverage for part or all of the risks written by other insurance companies (or "ceding companies") under life and annuity policies (both group and individual) and accident policies (workers' compensation, personal accident, and catastrophe coverages). The products and services related to these operations were offered by subsidiaries of Cigna Corporation.

In 2000, Cigna sold its U.S. individual life, group life and accidental death reinsurance businesses. Cigna placed its remaining reinsurance businesses (including its accident, international life, and annuity reinsurance businesses) into run-off as of June 1, 2000, and stopped underwriting new reinsurance business.

As of December 31, 2012, Cigna's remaining exposures resulted primarily from its annuity reinsurance business, including its reinsurance of GMDB and GMIB contracts. Effective February 4, 2013, the Company reinsured 100% of the Company's future exposures for the Run-off GMDB and GMIB businesses, net of retrocessional arrangements in place prior to February 4, 2013 up to a specified limit. For additional information regarding this reinsurance transaction, see Note 25 to the Consolidated Financial Statements.

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Other Operations">

F. Other Operations

Cigna's Other Operations segment includes the following businesses:

- corporate owned life insurance;
- deferred gains recognized from the 1998 sale of the individual life insurance and annuity business and the 2004 sale of the retirement benefits business; and
- run-off settlement annuity business.

The products and services related to these operations are offered by subsidiaries of Cigna Corporation.

Corporate-owned Life Insurance ("COLI")

The principal products of the COLI business are permanent insurance contracts sold to corporations to provide coverage on the lives of certain employees for the purpose of funding employer-paid future benefit obligations. Permanent life insurance provides coverage that, when adequately funded, does not expire after a term of years. The contracts are primarily non-participating universal life policies. Fees for universal life insurance products consist primarily of mortality and administrative charges assessed against the policyholder's fund balance. Interest credited and mortality charges for universal life and mortality charges on variable universal life may be adjusted prospectively to reflect expected interest and mortality experience. In order to reduce its exposure to large individual and catastrophe losses, Cigna purchases reinsurance from unaffiliated reinsurers.

Individual Life Insurance & Annuity and Retirement Benefits Businesses

For more information regarding the sale of these businesses and the arrangements which secure Cigna's reinsurance recoverables, see Note 8 of the Consolidated Financial Statements.

Settlement Annuity Business

Cigna's settlement annuity business is a closed run-off block of single premium annuity contracts. These contracts are primarily liability settlements with approximately 28% of the liabilities associated with payments that are guaranteed and not contingent on survivorship. In the case of the contracts that involve non-guaranteed payments, such payments are contingent on the survival of one or more parties involved in the settlement.

Investments and Investment Income">

G. Investments and Investment Income

General Accounts

Cigna's investment operations provide investment management and related services for Cigna's corporate invested assets and the insurance-related invested assets in its General Account ("General Account Invested Assets"). Cigna acquires or originates, directly or through intermediaries, a broad range of investments including private placements and public securities, commercial mortgage loans, real estate, mezzanine, private equity partnerships and short-term investments. Invested assets also include policy loans, that are fully collateralized by insurance policy cash values. Invested Assets are managed primarily by Cigna subsidiaries and, to a lesser extent, external managers with whom Cigna's subsidiaries contract. Net investment income and realized investment gains (losses) are included as a component of earnings for each of Cigna's operating segments (Global Health Care, Group Disability and Life, Global Supplemental Benefits, Run-off Reinsurance, and Other Operations) and Corporate. For additional information about invested assets, see the "Investment Assets" section of the MD&A beginning on page 56 and Notes 11, 12, 13, 14 and 15 to Cigna's Consolidated Financial Statements.

Cigna's investment strategy is to maximize risk-adjusted yields for the portfolios. Cigna manages the investment portfolios to reflect the underlying characteristics of related insurance and contractholder liabilities and capital requirements, as well as regulatory and tax considerations pertaining to those liabilities and state investment laws. Insurance and contractholder liabilities range from short duration health care products to longer term obligations associated with disability and life products, and the run-off settlement annuity business. Assets supporting these liabilities are managed in segregated investment portfolios to facilitate matching of asset durations and cash

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flows to those of corresponding liabilities. Investment strategy and results are affected by the amount and timing of cash available for investment, competition for investments, economic conditions, interest rates and asset allocation decisions. Cigna routinely monitors and evaluates the status of its investments, obtaining and analyzing relevant investment-specific information as well as assessing current economic conditions, trends in capital markets and other factors. Such factors include industry sector considerations for fixed maturity investments and mezzanine and private equity partnership investments, and geographic and property-type considerations for commercial mortgage loan and real estate investments.

Separate Accounts

Cigna subsidiaries or external managers manage Separate Account assets on behalf of contractholders. These assets are legally segregated from the Company's other businesses and are not included in the General Account Invested Assets. Income, gains and losses generally accrue directly to the contractholders.

As of December 31, 2012, Cigna's Separate Account assets consisted of:

- $3.4 billion in separate account assets that constitute a portion of the assets of the Cigna Pension Plan;
- $3.4 billion in separate account assets that support Variable Universal Life products sold as a part of the Company's corporate-owned life insurance business, as well as through the Company's Global Supplemental Benefits segment; and
- $1.0 billion in separate account assets that support primarily health care and other disability and life products.

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PART I
ITEM 1 Business
Regulation">

H. Regulation

Cigna and its subsidiaries are subject to comprehensive state, federal and international regulations. The laws and regulations governing Cigna's business continue to increase each year and are subject to frequent change. Cigna has established policies and procedures to comply with applicable requirements.

Cigna's insurance and HMO subsidiaries must be licensed by the jurisdictions in which they conduct business. These subsidiaries are subject to numerous state and federal regulations related to their business operations, including, but not limited to:

- the form and content of customer contracts including benefit mandates (including special requirements for small groups, generally under 50 employees);
- premium rates;
- medical loss ratios;
- the content of agreements with participating providers of covered services;
- producer appointment and compensation;
- claims processing and appeals;
- underwriting practices;
- reinsurance arrangements;
- unfair trade and claim practices;
- protecting the privacy and confidentiality of the information received from customers;
- risk sharing arrangements with providers;
- reimbursement or payment levels for Medicare services;
- advertising; and
- the operation of consumer-directed plans (including health savings accounts, health reimbursement accounts, flexible spending accounts and debit cards).

Cigna and its international subsidiaries comply with regulations in international jurisdictions where foreign insurers may be faced with more onerous regulations than their domestic competitors. The broader regulatory environment may include anti-corruption laws, economic sanctions laws, various privacy, consumer protection, insurance, tax, tariff and trade laws and regulations, corporate governance, employment, intellectual property and investment laws and regulation, discriminatory licensing procedures, compulsory cessions of reinsurance, required localization of records and funds, higher premium and income taxes, and requirements for local participation in an insurer's ownership. In addition, the expansion of Cigna's operations into foreign countries increases the Company's exposure to certain U.S. laws, such as the Foreign Corrupt Practices Act of 1977 (FCPA). See page 16 for further discussion of international regulations.

The business of administering and insuring employee benefit programs, particularly health care programs, is heavily regulated by state and federal laws and administrative agencies, such as state departments of insurance and the federal departments of Labor, Health and Human Services, Treasury and Justice and the Internal Revenue Service, as well as the courts. Health savings accounts, health reimbursement accounts and flexible spending accounts are also regulated by the U.S. Department of the Treasury and the Internal Revenue Service.

Cigna's operations, accounts and other books and records are subject to examination at regular intervals by regulatory agencies, including state insurance and health and welfare departments, state boards of pharmacy and the Centers for Medicare and Medicaid Services to assess compliance with applicable laws and regulations. In addition, Cigna's current and past business practices are subject to review by, and from time to time the Company receives subpoenas and other requests of information from, various state insurance and health care regulatory authorities, attorneys general, the Office of Inspector General, and other state and federal authorities, including inquiries by, and testimony before committees and subcommittees of the U.S. Congress regarding certain of its business practices. These examinations,

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reviews, subpoenas and requests may result in changes to or clarifications of Cigna's business practices, as well as fines, penalties or other sanctions.

Regulatory and Legislative Developments

The federal and state governments in the U.S. as well as governments in other countries where Cigna does business continue to enact and seriously consider many broad-based legislative and regulatory proposals that could materially impact various aspects of Cigna's business.

Health Care Reform

In the first quarter of 2010, Health Care Reform was signed into law. Health Care Reform mandates broad changes in the delivery of health care benefits that may impact the Company's current business model, including its relationship with current and future customers, producers and health care providers, products, services, processes and technology. Health Care Reform includes, among other requirements, provisions for guaranteed coverage and renewal requirements, prohibitions on some annual and all lifetime limits on the dollar amount of benefits for essential health services, increased restrictions on rescinding coverage, minimum medical loss ratio and customer rebate requirements, a requirement to cover preventive services on a first dollar basis, and greater controls on premium rate increases for individual and small employer health insurance. It also reduces the Medicare Part D coverage gap and reduces payments to private plans offering Medicare Advantage, as well as provides for state insurance exchanges through which qualified insurers and HMOs will be able to offer insured plans to individuals and small employers. Certain of the law's provisions became effective between 2010 and 2012 and other provisions will take effect from 2013 to 2018. Health Care Reform left many of the details of the new law to be established through regulations. While federal agencies have published interim final regulations with respect to certain requirements, many issues remain uncertain.

The provisions of the new law that became effective between 2010 and 2012 included those requiring coverage of preventive services with no enrollee cost-sharing, banning the use of lifetime and annual

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limits on the dollar amount of essential health benefits, increasing restrictions on rescinding coverage and extending coverage of dependents to the age of 26. Minimum medical loss ratio requirements as prescribed by the Department of Health and Human Services ("HHS") became effective in January 2011 and required payment of premium rebates beginning in 2012 to employers and customers covered under the Company's comprehensive medical insurance if certain annual minimum medical loss ratios ("MLR") are not met. HHS regulations permit adjustments to be made to the claims used in the calculation for Cigna's international health care and limited benefit plans subject to the MLR minimums. The adjustment for limited benefit plans is only permitted through 2014.

Certain other provisions of Health Care Reform will not become effective until 2013 or later, including: (1) the annual health insurer fee on health insurers and HMOs to help fund the expanded coverage provided under this legislation; (2) reinsurance assessments on insurers and HMOs to help stabilize rates in the individual and small group markets beginning in 2014; (3) the guaranteed issue and renewal requirements and the requirement that individuals maintain coverage, and (4) an excise tax on high-cost employer-sponsored coverage. These fees and excise taxes will generally not be tax deductible with the exception of the reinsurance assessment on insurers and HMOs. Health Care Reform also changed certain tax laws that will effectively limit the amount of certain employee compensation that is tax deductible by health insurers.

Health Care Reform also impacts Cigna's Medicare Advantage and Medicare Part D prescription drug plan businesses acquired with HealthSpring in a variety of additional ways, including reduced Medicare premium rates (which began with the 2011 contract year), mandated minimum reductions to risk scores (beginning in 2014), transition of Medicare Advantage "benchmark" rates to Medicare fee-for-service parity, reduced enrollment periods and limitations on disenrollment, providing "quality bonuses" for Medicare Advantage plans with a rating for four or five stars from CMS and mandated consumer discounts on brand name and generic prescription drugs for Medicare Part D plan participants in the coverage gap. Beginning in 2014, Health Care Reform requires Medicare Advantage and Medicare Part D plans to meet a minimum MLR of 85%. Under the rules proposed by HHS, if the MLR for a CMS contract is less than 85%, the contractor is required to pay a penalty to CMS and could be subject to additional sanctions if the MLR continues to be less than 85% for successive years. Through Health Care Reform and other federal legislation, funding for Medicare Advantage plans has been and may continue to be altered.

Health Care Reform significantly affects states that can elect to establish their own state exchanges for individual and small employer insurance business or allow the federal government to establish and operate the exchange for them. Cigna, therefore, expects state legislatures to focus on legislation to implement Health Care Reform and to address the impact of Health Care Reform on state budgets.

On June 28, 2012, the U.S. Supreme Court upheld the constitutionality of most parts of Health Care Reform, including the obligation to purchase health care coverage (the "individual mandate"). The Company has implemented the provisions of Health Care Reform that are currently in effect (including the commercial minimum MLR requirements) and continues its implementation planning for those provisions that must be adopted in the future. Management continues to closely monitor the implementation of Health Care Reform and is actively engaged with regulators and policymakers on the conversion of legislation to regulation. In addition, management is implementing the necessary capabilities to ensure that the Company is compliant with the law and assessing potential opportunities arising from Health Care Reform.

Dodd-Frank Act

In 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") that provides for a number of reforms and regulations in the corporate governance, financial reporting and disclosure, investments, tax and enforcement areas that affect Cigna. The SEC and other regulatory authorities engaged in rulemaking efforts under the Dodd-Frank Act throughout 2011 and 2012, and additional rulemaking still continues. The Dodd-Frank Act established a Federal Insurance Office that will develop and coordinate federal policy on insurance matters. Cigna is closely monitoring how these regulations impact the Company, however the full impact of the legislation may not be known for several years until regulations become fully effective.

Regulation of Insurance Companies

Financial Reporting and Internal Control

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Regulators closely monitor the financial condition of licensed insurance companies and HMOs. States regulate the form and content of statutory financial statements, the type and concentration of permitted investments, and corporate governance over financial reporting. Cigna's insurance and HMO subsidiaries are required to file periodic financial reports and schedules with regulators in most of the jurisdictions in which they do business as well as annual financial statements audited by independent registered public accountants. Certain insurance and HMO subsidiaries are required to file an annual report of internal control over financial reporting with most jurisdictions in which they do business. Insurance and HMO subsidiaries' operations and accounts are subject to examination by such agencies. Cigna expects states to expand the scope of regulations relating to corporate governance and internal control activities of its insurance and HMO subsidiaries as a result of the National Association of Insurance Commissioners' ("NAIC") amendment to the Annual Financial Reporting Model Regulation to adopt elements of corporate governance and internal control requirements similar to those under federal securities' laws.

Guaranty Associations, Indemnity Funds, Risk Pools and Administrative Funds

Most states and certain non-U.S. jurisdictions require insurance companies to support guaranty associations or indemnity funds that are established to pay claims on behalf of insolvent insurance companies. In the United States, these associations levy assessments on member insurers licensed in a particular state to pay such claims.

Several states also require HMOs to participate in guaranty funds, special risk pools and administrative funds. For additional information about guaranty fund and other assessments, see Note 24 to Cigna's Consolidated Financial Statements.

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PART I

ITEM 1 Business

Some states also require health insurers and HMOs to participate in assigned risk plans, joint underwriting authorities, pools or other residual market mechanisms to cover risks not acceptable under normal underwriting standards.

Solvency and Capital Requirements

Many states have adopted some form of the NAIC model solvency-related laws and risk-based capital rules ("RBC rules") for life and health insurance companies. The RBC rules recommend a minimum level of capital depending on the types and quality of investments held, the types of business written and the types of liabilities incurred. If the ratio of the insurer's adjusted surplus to its risk-based capital falls below statutory required minimums, the insurer could be subject to regulatory actions ranging from increased scrutiny to conservatorship.

In addition, various non-U.S. jurisdictions prescribe minimum surplus requirements that are based upon solvency, liquidity and reserve coverage measures. During 2012, Cigna's HMOs and life and health insurance subsidiaries, as well as non-U.S. insurance subsidiaries, were compliant with applicable RBC and non-U.S. surplus rules.

In September 2012, the National Association of Insurance Commissioners adopted the Risk Management and Own Risk and Solvency Assessment Model Act. The Act provides requirements and principles for maintaining a group solvency assessment and a risk management framework and reflects a broader and more prospective approach to U.S. insurance regulation. The Act, which includes a requirement to file an annual ORSA Summary Report in the lead state of domicile, now must be adopted into law by each state. Cigna's insurance business in the U.S. will be subject to the requirements that are expected to become effective in 2015. Cigna will be prepared to file an ORSA Summary Report with its lead state regulator consistent with the requirements.

Cigna's businesses in the European Union will be subject to the directive on insurance regulation and solvency requirements known as Solvency II. This directive will impose economic risk-based solvency requirements and supervisory rules and is expected to become effective in January 2014, although certain regulators are requiring companies to demonstrate technical capability and comply with increased capital levels in advance of the effective date. Cigna's European insurance companies are capitalized at levels consistent with projected Solvency II requirements and in compliance with anticipated technical capability requirements.

Holding Company Laws

Cigna's domestic insurance companies and certain of its HMOs are subject to state laws regulating subsidiaries of insurance holding companies. Under such laws, certain dividends, distributions and other transactions between an insurance or HMO subsidiary and its affiliates may require notification to, or approval by, one or more state insurance commissioners.

In December 2010, the NAIC adopted revisions to the Model Insurance Holding Company System Regulatory Act and Regulation. The revisions were designed to allow a better understanding of the risks and activities of non-insurance entities within a holding company system. The main focus of the revisions has been to incorporate the concept of "enterprise risk" and to enact provisions designed to provide regulators with additional information and authority to manage this new concept. To date, a few states have taken action to adopt the amended Model Act and Regulation. Cigna continues to follow the states' activity in this area and will amend its processes as necessary to comply with revised state laws.

Marketing, Advertising and Products

In most states, Cigna's insurance companies and HMO subsidiaries are required to certify compliance with applicable advertising regulations on an annual basis. Cigna's insurance companies and HMO subsidiaries are also required in most states to file and secure regulatory approval of products prior to the marketing, advertising, and sale of such products. State and/or federal regulatory scrutiny of life and health insurance company and HMO marketing and advertising practices, including the adequacy of disclosure regarding products and their administration, may result in increased regulation. Products offering limited coverage, such as those Cigna issues through the Star HRG business, continue to attract increased regulatory scrutiny.

Licensing Requirements

Pharmacy Licensure Laws

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Certain Cigna subsidiaries are pharmacies that dispense prescription drugs to participants of benefit plans administered or insured by Cigna's HMO and insurance company subsidiaries. These pharmacy-subsidiaries are subject to state licensing requirements and regulation as well as U.S. Drug Enforcement Agency registration requirements. Other laws and regulation affecting Cigna's pharmacy-subsidiaries include federal and state laws concerning labeling, packaging, advertising and adulteration of prescription drugs and dispensing of controlled substances.

International Licensure Laws

Cigna's international subsidiaries are often required to be licensed when entering new markets or starting new operations in certain jurisdictions. The licensure requirements for these Cigna subsidiaries vary by country and are subject to change.

Claim Administration, Utilization Review and Related Services

Certain Cigna subsidiaries contract to provide claim administration, utilization management and other related services for the administration of self-insured benefit plans. These Cigna subsidiaries may be subject to state third-party administration and other licensing requirements and regulation.

International Regulations

Cigna's revenue from operations outside the United States exposes the Company to laws of multiple jurisdictions and the rules and regulations of various governing bodies and regulators, including those related to financial and other disclosures, corporate governance, privacy, data protection, data mining, data transfer, labor and

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employment, consumer protection and anti-corruption. The operations in countries outside the United States:

- are subject to local regulations in the locations in which Cigna subsidiaries conduct business,
- in some cases, are subject to regulations in the locations of customers, and
- in all cases are subject to FCPA.

FCPA prohibits offering, promising, providing or authorizing others to give anything of value to a foreign government official to obtain or retain business or otherwise secure a business advantage. Cigna is also subject to applicable anti-corruption laws in the jurisdictions in which it operates. Additionally, in many countries outside of the U.S., health care professionals are employed by the government. Therefore, Cigna's dealings with them are subject to regulation under the FCPA. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties and the SEC and Department of Justice have increased their enforcement activities with respect to FCPA. The UK Bribery Act of 2010, which went into effect in 2011, is an anti-corruption law that applies to all companies with a nexus to the United Kingdom and whose scope is even broader than the FCPA. It is yet to be seen how the UK Bribery Act will be enforced, but any voluntary disclosures of FCPA violations may be shared with the UK authorities, thus potentially exposing companies to liability and potential penalties in multiple jurisdictions. Cigna has internal control policies and procedures and has implemented training and compliance programs for its employees to deter prohibited practices. However, if Cigna's employees or agents fail to comply with applicable laws governing its international operations, the Company may face investigations, prosecutions and other legal proceedings and actions that could result in civil penalties, administrative remedies and criminal sanctions. See the Risk Factors section beginning on page 19 for a discussion of the risks related to operating globally.

Federal Regulations

Employee Retirement Income Security Act and the Public Health Service Act

Cigna subsidiaries sell most of their products and services to sponsors of employee benefit plans that are governed by ERISA. Many of the health insurance reform provisions of the Patient Protection and Affordable Care Act were incorporated in ERISA, Cigna subsidiaries are subject to requirements imposed by ERISA affecting claim and appeals procedures for individual insurance and insured and self-insured group health plans and are expected to comply with these requirements on behalf of the dental, disability, life and accident plans they administer. These health insurance reform provisions made applicable to group health plans under ERISA were also incorporated into the Public Health Service Act and are directly applicable to health insurance issuers (i.e., health insurers and HMOs).

Medicare Regulations

Several Cigna subsidiaries, including those acquired in the HealthSpring transaction, engage in businesses that are subject to federal Medicare regulations such as:

- those offering individual and group Medicare Advantage (HMO) coverage;
- contractual arrangements with the federal government for the processing of certain Medicare claims and other administrative services; and
- those offering Medicare Pharmacy (Part D) products that are subject to federal Medicare regulations.

In Cigna's Medicare Advantage business, the Company contracts with the Centers for Medicare and Medicaid Services ("CMS") to provide services to Medicare beneficiaries pursuant to their Medicare program. As a result, the Company's right to obtain payment from CMS is subject to compliance with numerous and complex regulations and requirements that are frequently modified and subject to administrative discretion. The marketing and sales activities (including those of third-party brokers and agents) are also heavily regulated by CMS and other governmental agencies.

Several Cigna subsidiaries are also subject to reporting requirements pursuant to Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007.

Federal Audits of Government Sponsored Health Care Programs

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Participation in government sponsored health care programs subjects Cigna to a variety of federal laws and regulations and risks associated with audits conducted under these programs. These audits may occur in years subsequent to Cigna providing the relevant services under audit. These risks may include reimbursement claims as well as potential fines and penalties. For example, with respect to Cigna's Medicare Advantage business, CMS and the Office of the Inspector General perform audits to determine a health plan's compliance with federal regulations and contractual obligations, including compliance with proper coding practices (sometimes referred to as Risk Adjustment Data Validation Audits or RADV audits) and compliance with fraud and abuse enforcement practices through Recovery Audit Contractor (RAC) audits in which third-party contractors conduct post-payment reviews on a contingency fee basis to detect and correct improper payments. See "Global Health Care" in Section B beginning on page 2 of this Form 10-K for additional information about Cigna's participation in government health-related programs.

The Federal government has made investigating and prosecuting health care fraud and abuse a priority. Fraud and abuse prohibitions encompass a wide range of activities, including kickbacks for referral of customers, billing for unnecessary medical services, improper marketing, and violation of patient privacy rights. The regulations and contractual requirements in this area are complex and subject to change and compliance will continue to require significant resources.

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PART I
ITEM 1 Business

Health Insurance Portability and Accountability Act Regulations

The federal Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA") impose requirements on health insurers, HMOs, health plans, health care providers and clearinghouses. Health insurers and HMOs are further subject to regulations related to guaranteed issuance (for groups with 50 or fewer lives), guaranteed renewal, and portability of health insurance.

HIPAA also imposes minimum standards for the privacy and security of protected health information. HIPAA's privacy and security requirements were expanded by the Health Information Technology for Economic and Clinical Health Act ("HITECH") that enhanced penalties for HIPAA violations and requires regulated entities to provide notification to various parties in the event of a breach of unsecured protected health information. Regulations pursuant to HITECH continue to be promulgated and are monitored and implemented as they are finalized.

HIPAA also established rules that standardize the format and content of certain electronic transactions, including, but not limited to, eligibility and claims. Federal regulations were issued requiring entities subject to HIPAA to update their transaction formats for electronic data interchange from HIPAA 4010 to version 5010 standards and convert from the ICD-9 diagnosis and procedure codes to the ICD-10 diagnosis and procedure codes. The ICD-10 conversion is required by October 1, 2013, though CMS has proposed a rule that would delay the implementation for one year until October 1, 2014.

Other Confidentiality Requirements

The federal Gramm-Leach-Bliley Act generally places restrictions on the disclosure of non-public information to non-affiliated third parties, and requires financial institutions, including insurers, to provide customers with notice regarding how their non-public personal information is used, including an opportunity to "opt out" of certain disclosures. State departments of insurance and certain federal agencies adopted implementing regulations as required by federal law. Neither the HIPAA nor the Gramm-Leach-Bliley privacy regulations preempt more stringent state laws and regulations that apply to Cigna, and a number of states have adopted data security laws and regulations, regulating data security and requiring security breach notification that may apply to Cigna in certain circumstances.

Antitrust Regulations

Cigna subsidiaries are also engaged in activities that may be scrutinized under federal and state antitrust laws and regulations. These activities include the administration of strategic alliances with competitors, information sharing with competitors and provider contracting.

Anti-Money Laundering Regulations

Certain Cigna products ("Covered Products" as defined in the Bank Secrecy Act) are subject to U.S. Department of the Treasury anti-money laundering regulations. Cigna has implemented anti-money laundering policies designed to ensure that its Covered Products are underwritten and sold in compliance with these regulations. Cigna may also be subject to anti-money laundering laws in non-U.S. jurisdictions where it operates.

Office of Foreign Assets Control

The Company is also subject to regulation put forth by the Office of Foreign Assets Control of the U.S. Department of the Treasury which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. In addition, Cigna may be subject to similar regulations in non-U.S. jurisdictions in which it operates.

Investment-Related Regulations

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Depending upon their nature, Cigna's investment management activities are subject to U.S. federal securities laws, ERISA, and other federal and state laws governing investment related activities. In many cases, the investment management activities and investments of individual insurance companies are subject to regulation by multiple jurisdictions. Miscellaneous">

I. Miscellaneous

Cigna and its principal subsidiaries are not dependent on business from one or a few customers. No one customer accounted for 10% or more of Cigna's consolidated revenues in 2012. Cigna and its principal subsidiaries are not dependent on business from one or a few brokers or agents. In addition, Cigna's insurance businesses are generally not committed to accept a fixed portion of the business submitted by independent brokers and agents, and generally all such business is subject to its approval and acceptance.

Cigna had approximately 35,800 employees as of December 31, 2012; 31,400 employees as of December 31, 2011; and 30,600 employees as of December 31, 2010.

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ITEM 1A Risk Factors

As a large company operating in a complex industry, Cigna encounters a variety of risks and uncertainties including those identified in this Risk Factor discussion and elsewhere in this report. Cigna has implemented and maintains enterprise-wide risk management processes, in addition to the risk management processes within its businesses. The factors discussed below represent significant risks and uncertainties that could have a material adverse effect on Cigna's business, liquidity, results of operations or financial condition. These risks and uncertainties are not the only ones Cigna faces. Additional risks and uncertainties not presently known to the Company or that it currently believes to be immaterial may also adversely affect Cigna.

Regulatory and Litigation Risks

Health Care Reform legislation, as well as potential additional changes in federal or state regulations, could have a material adverse effect on Cigna's business, results of operations, financial condition and liquidity.

In 2010, Health Care Reform was signed into law, and it is resulting in significant changes to the current U.S. health care system. Health Care Reform mandates broad changes in the delivery of health care benefits that may impact the Company's current business model, including its relationship with current and future customers, producers and health care providers, products, services, processes and technology. Health Care Reform includes, among other requirements, provisions for guaranteed coverage and renewal requirements, prohibitions on annual and lifetime limits on the dollar amount of benefits for essential health services, increased restrictions on rescinding coverage, minimum medical loss ratio and customer rebate requirements, a requirement to cover preventive services on a first dollar basis, and greater controls on premium rate increases for individual and small employer health insurance. It also reduces the Medicare Part D coverage gap and reduces payments to private plans offering Medicare Advantage, as well as provides for state insurance exchanges through which insurers and HMOs will, if qualified, be able to offer insured plans to individuals and small employers. In addition, the legislation imposes an excise tax on high-cost employer-sponsored coverage and annual fees on insurance companies and HMOs that will generally not be deductible for income tax purposes and therefore may adversely impact the Company's effective tax rate. It also limits the amount of compensation for executives of insurers that is tax deductible.

Certain of the law's provisions became effective between 2010 and 2012 and other provisions will take effect from 2013 to 2018. Health Care Reform left many of the details of the new law to be set forth through regulations. While federal agencies have published interim final regulations with respect to certain requirements, many issues remain uncertain, thus the full impact on the Company is not yet known. This legislation could impact the Company significantly by:

- disrupting the employer-based market, which is currently the primary business model for the Company's Global Health Care segment;
- causing employers to drop health care coverage for their employees;
- driving potential cost shifting in the health care delivery system to health insurance companies and HMOs;
- regulating business practices;
- imposing new or increasing taxes and financial assessments;
- limiting the ability to increase premiums to meet costs (including denial or delays in approval and implementation of those rates); and
- significantly reducing the growth of Medicare program payments.

Accordingly, Health Care Reform, other regulatory reform initiatives or additional changes in existing laws or regulations, or their interpretations, could have a material adverse effect on the Company's business, results of operations, financial condition and liquidity.

The Medicare business acquired with HealthSpring presents additional risks for Cigna, as the Medicare program has been the subject of recent regulatory reform initiatives, including Health Care Reform. Because Medicare program premiums account for substantially all of the acquired business's revenue, reductions or less than expected increases in funding for Medicare programs (including the potential effect of sequestration) could significantly reduce the Company's profitability, and non-renewal or termination of Medicare contracts would substantially impair the acquired business.

In June 2012, the U.S. Supreme Court upheld the constitutionality of most parts of Health Care Reform, but considerable uncertainty remains and it is difficult to predict the impact of Health Care Reform on the business due to the law's complexity, continuing

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development of implementing regulations and interpretive guidance. Cigna is unable to predict how these events will develop and what impact they will have on Health Care Reform, and in turn, on Cigna.

For additional information on Health Care Reform, see "Business - Regulation" in Section H beginning on page 14 of this Form 10-K and the "Introduction" section of MD&A beginning on page 32 of this Form 10-K. See also the description of minimum medical loss ratio and customer rebate requirements in the "Business - B. Global Health Care" section beginning on page 2 of this Form 10-K.

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PART I
ITEM 1A Risk Factors

Cigna's business is subject to substantial government regulation that, along with new regulation, could increase its costs of doing business and have a material adverse effect on its profitability.

Cigna's business is regulated at the international, federal, state and local levels. The laws and rules governing Cigna's business and related interpretations are increasing in number and complexity, are subject to frequent change and can be inconsistent or even conflict with each other. As a public company with global operations, Cigna is subject to the laws of multiple jurisdictions and the rules and regulations of various governing bodies, including those related to financial and other disclosures, corporate governance, privacy, data protection, labor and employment, consumer protection, tax and anti-corruption. Cigna must identify, assess and respond to new trends in the legislative and regulatory environments as well as effectively comply with the various existing regulations applicable to its business. Existing or future laws, rules, regulatory interpretations or judgments could force Cigna to change how it does business, restrict revenue and enrollment growth, increase health care, technology and administrative costs, including pension costs and capital requirements, require enhancements to the Company's compliance infrastructure and internal controls environment. Existing or future laws and rules could also require Cigna to take other actions such as changing its business practices for disability payments thereby increasing Cigna's liability in federal and state courts for coverage determinations, contract interpretation and other actions.

In addition, Cigna must obtain and maintain regulatory approvals to market many of its products, to increase prices for certain regulated products and to consummate some of its acquisitions and divestitures. Delays in obtaining or failure to obtain or maintain these approvals could reduce the Company's revenue or increase its costs. For further information on regulatory matters relating to Cigna, see "Business - Regulation" in Section H of this Form 10-K.

Cigna faces risks related to litigation, regulatory audits and investigations.

Cigna is routinely involved in numerous claims, lawsuits, regulatory audits, investigations and other legal matters arising in the ordinary course of business, including that of administering and insuring employee benefit programs. These could include benefit claims, breach of contract actions, tort claims, disputes regarding reinsurance arrangements, employment and employment discrimination-related suits, employee benefit claims, wage and hour claims, tax, privacy, intellectual property and real estate related disputes. In addition, Cigna incurs and likely will continue to incur liability for claims related to its health care business, such as failure to pay for or provide health care, poor outcomes for care delivered or arranged, provider disputes, including disputes over compensation, and claims related to self-funded business. Also, there are currently, and may be in the future, attempts to bring class action lawsuits against the industry.

Court decisions and legislative activity may increase Cigna's exposure for any of these types of claims. In some cases, substantial non-economic or punitive damages may be sought. Cigna currently has insurance coverage for some of these potential liabilities. Other potential liabilities may not be covered by insurance, insurers may dispute coverage or the amount of insurance may not be sufficient to cover the entire damages awarded. In addition, certain types of damages, such as punitive damages, may not be covered by insurance, and insurance coverage for all or certain forms of liability may become unavailable or prohibitively expensive in the future. It is possible that the resolution of one or more of the legal matters and claims described could result in losses material to Cigna's results of operations, financial condition and liquidity.

A description of material pending legal actions and other legal matters in which Cigna is currently involved is included in Note 24 to Cigna's Consolidated Financial Statements included in this Form 10-K. The outcome of litigation and other legal matters is always uncertain, and outcomes that are not justified by the evidence or existing law can occur. Cigna believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously.

In addition, there is heightened review by federal and state regulators of health care and group disability insurance industry business and reporting practices. Cigna is frequently the subject of regulatory market conduct and other reviews, audits and investigations by state insurance and health and welfare departments, attorneys general, the Centers for Medicare and Medicaid Services (CMS) and, the Office of Inspector General (OIG). With respect to Cigna's Medicare Advantage business, CMS and OIG perform audits to determine a health plan's compliance with federal regulations and contractual obligations, including compliance with proper coding practices (sometimes referred to as Risk Adjustment Data Validation Audits or RADV audits) and compliance with fraud and abuse enforcement practices through Recovery Audit Contractor (RAC) audits in which third-party contractors conduct post-payment reviews on a contingency

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fee basis to detect and correct improper payments. In 2012, Cigna significantly expanded its Medicare business with its acquisition of HealthSpring. This expansion of its Medicare business may increase the risks the Company faces from lawsuits, regulatory audits, investigations and other regulatory matters. These regulatory reviews could result in changes to or clarifications of Cigna's business practices or retroactive adjustments to certain premiums, and also could result in significant fines, penalties, civil liabilities, criminal liabilities or other sanctions, that could have a material adverse effect on the Company's business, results of operation, financial condition and liquidity. Additionally, the employee benefits industry remains under scrutiny by various state and federal government agencies and could be subject to governmental efforts to bring criminal actions in circumstances that could previously have given rise only to civil or administrative proceedings.

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Business Risks

Future performance of Cigna's business will depend on the Company's ability to execute on its strategic and operational initiatives effectively.

The future performance of Cigna's business will depend in large part on Cigna's ability to effectively implement and execute its strategic and operational initiatives that include: (1) driving growth in targeted geographies, product lines, buying segments and distribution channels; (2) improving its strategic and financial flexibility; and (3) pursuing additional opportunities in high-growth markets with particular focus on individuals.

Successful execution of these strategic and operational initiatives depends on a number of factors including:

- differentiating Cigna's products and services from those of its competitors by leveraging its health advocacy capabilities and other strengths in targeted markets, geographies and buyer segments;
- developing and introducing new products or programs, particularly in response to government regulation and the increased focus on consumer directed products;
- identifying and introducing the proper mix or integration of products that will be accepted by the marketplace;
- attracting and retaining sufficient numbers of qualified employees;
- attracting and engaging a sufficient number of qualified partners, including physicians partners in an environment with a growing shortage of primary care physicians;
- effectively managing balance sheet exposures, including the Company's pension funding obligation;
- improving medical cost competitiveness in targeted markets; and
- reducing Cigna HealthCare's medical operating expenses to achieve sustainable benefits.

If these initiatives fail or are not executed effectively, it could harm the Company's consolidated financial position and results of operations. For example, reducing operating expenses while maintaining the necessary resources and the Company's talent pool is important to the Company and, if not managed effectively, could have long-term effects on the business such as failure to maintain or improve the quality of its products and limiting its ability to retain or hire key personnel. In addition, to succeed, the Company must align its organization to its strategy. Cigna must effectively integrate its operations, including its most recently acquired businesses, actively work to ensure consistency throughout the organization, and promote a global mind-set and a focus on individual customers. If the Company fails to do so, it may be unable to grow as planned, or the result of expansion may be unsatisfactory. Also, the current competitive, economic and regulatory environment will require Cigna's organization to adapt rapidly and nimbly to new opportunities and challenges. The Company will be unable to do so if it does not make important decisions quickly, define its appetite for risk specifically, implement new governance, managerial and organizational processes smoothly and communicate roles and responsibilities clearly.

As a global company, Cigna faces political, legal, operational, regulatory, economic and other risks that present challenges and could negatively affect its multinational operations or the Company's long-term growth.

As a global company, Cigna's business is increasingly exposed to risks inherent in foreign operations. These risks, which can vary substantially by market, include political, legal, operational, regulatory, economic and other risks, including government intervention and censorship that the Company does not face in its U.S. operations. The global nature of Cigna's business and operations presents challenges including, but not limited, to those arising from:

- varying regional and geopolitical business conditions and demands;
- discriminatory regulation, nationalization or expropriation of assets;
- price controls or other pricing issues and exchange controls or other restrictions that prevent it from transferring funds from these operations out of the countries in which it operates or converting local currencies that our foreign operations hold into U.S. dollars or other currencies;

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- foreign currency exchange rates and fluctuations that may have an impact on the future costs or on future sales and cash flows from the Company's international operations, and any measures that it may implement to reduce the effect of volatile currencies and other risks of its international operations may not be effective;
- reliance on local sales forces for some of its operations in countries that may have labor problems and less flexible employee relationships that can be difficult and expensive to terminate, or where changes in local regulation or law may disrupt the business operations;
- risk associated with managing Cigna's partner relationships in accordance with business objectives in countries where our foreign businesses voluntarily operate or are required to operate with local business partners;
- challenges associated with managing more geographically diverse operations and projects;
- the need to provide sufficient levels of technical support in different locations;
- political instability or acts of war, terrorism, natural disasters, pandemics in locations where Cigna operates; and
- general economic and political conditions.

These factors may increase in importance as Cigna continues to expand globally, and any one of these challenges could negatively affect the Company's operations or its long-term growth. Currently, South Korea is the single largest geographic market in Cigna's Global

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PART I

ITEM 1A Risk Factors

Supplemental Benefits segment. South Korea generated 54% of the segment's revenues and 90% of the segment's earnings in 2012. Due to the concentration of business in South Korea, the Global Supplemental Benefits segment is exposed to potential losses resulting from economic and geopolitical developments in that country, as well as foreign currency movements affecting the South Korean currency, that could have a significant impact on the segment's results and the Company's consolidated financial results. Further, expansion into new markets may require considerable management time before any significant revenues and earnings are generated, that could divert management's attention from other strategic activities.

International operations also require the Company to devote significant management resources to implement its controls and systems in new markets, to comply with the U.S. anti-bribery and anti-corruption as well as anti-money laundering provisions and similar laws in local jurisdictions and to overcome logistical and other challenges based on differing languages, cultures and time zones. Violations of these laws and regulations could result in fines, criminal sanctions against the Company, its officers or employees, prohibitions on the conduct of its business, and reputational harm. Cigna must regularly reassess the size, capability and location of its global infrastructure and make appropriate changes, and must have effective change management processes and internal controls in place to address changes in its business and operations. Cigna's success depends, in part, on its ability to anticipate these risks and manage these difficulties, and the failure to do so could have a material adverse effect on Cigna's business, results of operations, financial condition, liquidity and long-term growth.

Successful management of Cigna's outsourcing projects and key vendors including taking steps to ensure that third parties that obtain access to sensitive personal information maintain its confidentiality and security, is important to its business.

To improve operating costs, productivity and efficiencies, Cigna outsources selected functions to third parties. Cigna takes steps to monitor and regulate the performance of independent third parties who provide services or to whom the Company delegates selected functions. These third parties include information technology system providers, independent practice associations, providers of medical management services, call center and claim service providers and various types of other service providers.

Arrangements with key vendors may make Cigna's operations vulnerable if third parties fail to satisfy their obligations to the Company, including their obligations to maintain and protect the security and confidentiality of the Company's information and data, as a result of their performance, changes in their own operations, financial condition, or other matters outside of Cigna's control. The Company has limited control over the actions of third-party providers even though contracts provide certain protections. Noncompliance with any privacy or security laws and regulations or any security breach involving one of its third-party service providers could have a material adverse effect on its business, results of operations, financial condition, liquidity and reputation. In addition, to the extent Cigna outsources selected services or selected functions to third parties in foreign jurisdictions, the Company could be exposed to risks inherent in conducting business outside of the United States, including international economic and political conditions, and the additional costs associated with complying with foreign laws and fluctuations in currency values.

The expanding role of third party service vendors may also require changes to Cigna's existing operations and the adoption of new procedures and processes for retaining and managing these providers, as well as redistributing responsibilities as needed, in order to realize the potential productivity and operational efficiencies. Effective management, development and implementation of its outsourcing strategies are important to Cigna's business and strategy. If there are delays or difficulties in enhancing business processes or its third party providers do not perform as anticipated, Cigna may not fully realize on a timely basis the anticipated economic and other benefits of the outsourcing projects or other relationships it enters into with key vendors, which could result in substantial costs or regulatory compliance issues, divert management's attention from other strategic activities, negatively affect employee morale or create other operational or financial problems for the Company. Terminating or transitioning arrangements with key vendors could result in additional costs and risks of operational delays, potential errors and possible control issues as a result of the termination or during the transition phase.

Acquisitions, including HealthSpring, involve risks and the Company may not realize the expected benefits because of integration difficulties, underperformance relative to Cigna's expectations and other challenges.

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As part of the Company's growth strategy, Cigna regularly considers strategic transactions, including acquisitions, with the expectation that these transactions will result in various benefits. Cigna's ability to achieve the anticipated benefits of acquisitions is subject to a number of uncertainties, including whether Cigna integrates its acquired companies in an efficient and effective manner, the performance of the acquired businesses and general competitive factors in the marketplace. Failure to achieve these anticipated benefits could result in increased costs, decreases in expected revenues, goodwill impairment charges, and diversion of management's time and energy.

In January 2012, Cigna acquired HealthSpring, an operator of Medicare Advantage coordinated care plans in 13 states and the District of Columbia. The success of the HealthSpring acquisition depends on Cigna's ability to integrate HealthSpring with its existing businesses and the performance of the acquired business. The potential difficulties of integrating the operations of HealthSpring and achieving the performance expected of the acquired businesses include: implementing the Company's business plan for the combined business; executing Cigna's growth plans by leveraging its capabilities and those of the businesses acquired in serving the Seniors segment; unanticipated issues in integrating logistics, information, communications and other systems; changes in applicable laws and regulations or conditions imposed by regulators; retaining key employees; operating risks inherent in HealthSpring's business and

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Cigna's business; retaining and growing membership; renewing or successfully rebidding for contracts with CMS, including maintaining or improving upon the CMS performance plan star ratings; leveraging the information technology platform of the acquired businesses; and unanticipated issues, costs, obligations and liabilities. If Cigna is unable to integrate the HealthSpring business successfully, or if the acquired business' performance evaluations under contracts with CMS are adverse, these factors could have a material adverse effect on Cigna's business, results of operations, financial condition and liquidity and could affect expectations for future revenue and earnings growth.

Effective internal controls are necessary for the Company to provide reliable and accurate financial reports and to mitigate the risk of fraud. The integration of acquired businesses is likely to result in Cigna's systems and controls becoming increasingly complex and more difficult to manage. Any difficulties in the assimilation of acquired businesses into the Company's control system could cause it to fail to meet its financial reporting obligations. Ineffective internal controls could also cause investors to lose confidence in the Company's reported financial information, which could have a negative effect on the trading price of Cigna's stock and its access to capital.

Cigna's business depends on its ability to properly maintain the integrity of its data and the uninterrupted operation of its systems and business functions, including information technology and other business systems.

Cigna's business depends on effective information systems and the integrity and timeliness of the data it uses to run its business. Cigna's business strategy requires providing customers and health care professionals with Internet-enabled products and information to meet their needs. Cigna's ability to adequately price its products and services, establish reserves, provide effective and efficient service to its customers, and to timely and accurately report its financial results also depends significantly on the integrity of the data in its information systems. If the information Cigna relies upon to run its businesses were found to be inaccurate or unreliable due to fraud or other error, or if Cigna (or the third-party service parties it utilizes) were to fail to maintain information systems and data integrity effectively, the Company could experience difficulties with: operational disruptions (that may impact customers and health care professionals); determining medical cost estimates and establishing appropriate pricing; retaining and attracting customers; regulatory compliance and other challenges.

In addition, Cigna's business is highly dependent upon its ability to perform, in an efficient and uninterrupted fashion, its necessary business functions, such as: claims processing and payment; internet support and customer call centers; and the processing of new and renewal business. Failure to comply with relevant regulations, a power outage, pandemic, cyber-attack or other failure of one or more of information technology, telecommunications or other systems could cause slower system response times resulting in claims not being processed as quickly as clients desire, decreased levels of client service and client satisfaction, and harm to Cigna's reputation. Because Cigna's information technology and telecommunications systems interface with and depend on third-party systems, Cigna could experience service denials if demand for such service exceeds capacity or a third-party system fails or experiences an interruption. If sustained or repeated, such a business interruption, systems failure or service denial could result in a deterioration of Cigna's ability to pay claims in a timely manner, provide customer service, write and process new and renewal business, or perform other necessary corporate functions, and could have a material adverse effect on Cigna's business, results of operations, financial condition and liquidity.

Like other companies in our industry, we have been and may in the future be the subject of cybersecurity breaches. Computer systems may be vulnerable to physical break-ins, computer viruses, programming errors, attacks by third parties or similar disruptive problems. If a cybersecurity breach of Cigna's computer systems or the computer systems of a third-party service provider occurs, it could also interrupt Cigna's operations and damage Cigna's reputation. Cigna could also be subject to liability if sensitive customer information is misappropriated. Any publicized compromise of security could result in a loss of existing or new customers, increased operating expenses, financial losses, and additional litigation or other claims that could have a material adverse effect on Cigna's business, results of operations, financial condition and liquidity.

Effective investment in and execution of improvements in the Company's information technology infrastructure and functionality are important to its strategy and failure to do so may impede its ability to deliver the services required in the evolving marketplace at a competitive cost.

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Cigna's information technology strategy and execution are critical to the continued success of the Company. Increasing regulatory and legislative mandated changes will place additional demands on Cigna's information technology infrastructure, which could have a direct impact on available resources for projects more directly tied to strategic initiatives. The Company must continue to invest in long-term solutions that will enable it to anticipate customer needs and expectations, enhance the customer experience and act as a differentiator in the market. Cigna's success is dependent, in large part, on maintaining the effectiveness of existing technology systems and continuing to deliver and enhance technology systems that support the Company's business processes in a cost-efficient and resource-efficient manner. Cigna also must develop new systems to meet current market standards and keep pace with continuing changes in information processing technology, evolving industry and regulatory standards and customer needs. Failure to do so may impede the Company's ability to deliver services at a competitive cost. Furthermore, system development projects are long-term in nature, may be more costly than expected to complete and may not deliver the expected benefits upon completion.

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Effective prevention, detection and control systems are critical to maintain regulatory compliance and prevent fraud and failure of these systems could adversely affect the Company.

Failure of Cigna's prevention, detection or control systems related to regulatory compliance or the failure of employees to comply with Cigna's internal policies, including data systems security or unethical conduct by managers and employees, could adversely affect Cigna's reputation and also expose it to litigation and other proceedings, fines and penalties. Federal and state governments have made investigating and prosecuting health care and other insurance fraud and abuse a priority. Fraud and abuse prohibitions encompass a wide range of activities, including kickbacks for referral of members, billing for unnecessary medical services, improper marketing, and violations of patient privacy rights. The regulations and contractual requirements applicable to the Company are complex and subject to change. In addition, ongoing vigorous law enforcement, a highly technical regulatory scheme and the Dodd-Frank legislation and related regulations being adopted to enhance regulators' enforcement powers and whistleblower incentives and protections, mean that Cigna's compliance efforts in this area will continue to require significant resources.

In addition, provider or customer fraud that is not prevented or detected could impact Cigna's medical costs or those of its self-insured customers. Further, during an economic downturn, Cigna's segments, including Global Health Care, Group Disability and Life and Global Supplemental Benefits, may see increased fraudulent claims volume that may lead to additional costs due to an increase in disputed claims and litigation.

Cigna's pharmacy benefit management business is subject to a number of risks and uncertainties, in addition to those Cigna faces with its health care business.

Cigna's pharmacy benefit management business is subject to federal and state regulation, including federal and state anti-remuneration laws, ERISA, HIPAA and laws related to the operation of Internet and mail-service pharmacies. Noncompliance with such regulations could have a material adverse effect on Cigna's business, results of operations, financial condition, liquidity and reputation.

The Company's pharmacy benefit management business would also be adversely affected by an inability to contract on favorable terms with pharmaceutical manufacturers and could suffer claims and reputational harm in connection with purported errors by Cigna's mail order or retail pharmacy businesses. Disruptions at any of the Company's pharmacy business facilities due to failure of technology or any other failure or disruption to these systems or to the infrastructure due to fire, electrical outage, natural disaster, acts of terrorism or some other catastrophic event could reduce Cigna's ability to process and dispense prescriptions and provide products and services to customers, that could have a material adverse effect on Cigna's business, results of operations, financial condition and liquidity.

In operating its onsite clinics and medical facilities, the Company may be subject to additional liability, that could result in significant time and expense and divert management's attention from other strategic activities.

The Company employs physicians, nurse practitioners, nurses and other health care professionals at onsite low acuity and primary care clinics it operates for the Company's customers (as well as certain clinics for Company employees). Through the HealthSpring business acquired in 2012, Cigna also operates LivingWell health centers and health care practices for its customers. In addition, the Company owns and operates medical facilities in the Phoenix, Arizona metropolitan area, including multispecialty health care centers, outpatient surgery and urgent care centers, low acuity clinics, laboratory, pharmacy and other operations that employ primary care as well as specialty care physicians and other types of health care professionals. As a direct employer of health care professionals and as an operator of primary and low-acuity care clinics and other types of medical facilities, the Company is subject to liability for negligent acts, omissions, or injuries occurring at one of its clinics or caused by one of its employees. Even if any claims brought against the Company were unsuccessful or without merit, it would have to defend against such claims. The defense of any actions may be time-consuming and costly, and may distract management. As a result, Cigna may incur significant expenses that could have a material adverse effect on Cigna's business, results of operations, financial condition, and liquidity.

Cigna faces competitive pressure, particularly price competition, that could result in premiums which are insufficient to cover the cost of the health care services delivered to its members and inadequate medical claims reserves.

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While health plans compete on the basis of many factors, including service quality of clinical resources, claims administration services and medical management programs, and quality, sufficiency and cost effectiveness of health care professional network relationships, Cigna expects that price will continue to be a significant basis of competition. Cigna's customer contracts are subject to negotiation as customers seek to contain their costs, and customers may elect to reduce benefits in order to constrain increases in their benefit costs. Such an election may result in lower premiums for the Company's products, and even though it may also reduce Cigna's costs, it could still adversely affect Cigna's financial results. Alternatively, the Company's customers may purchase different types of products that are less profitable, or move to a competitor to obtain more favorable premiums.

Factors such as business consolidations, strategic alliances, legislative reform and marketing practices create pressure to contain premium price increases, despite increasing medical costs. For example, the Gramm-Leach-Bliley Act gives banks and other financial institutions the ability to be affiliated with insurance companies that may lead to new competitors with significant financial resources in the insurance and health benefits fields. The Company's product margins and

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growth depend, in part, on its ability to compete effectively in its markets, set rates appropriately in highly competitive markets to keep or increase its market share, increase membership as planned, and avoid losing accounts with favorable medical cost experience while retaining or increasing membership in accounts with unfavorable medical cost experience.

Cigna's profitability depends, in part, on its ability to accurately predict and control future health care costs through underwriting criteria, provider contracting, utilization management and product design. Premiums in the health care business are generally fixed for one-year periods. Accordingly, future cost increases in excess of medical cost projections reflected in pricing cannot generally be recovered in the current contract year through higher premiums. Although Cigna bases the premiums it charges on its estimate of future health care costs over the fixed premium period, actual costs may exceed what was estimated and reflected in premiums. Factors that may cause actual costs to exceed premiums include: medical cost inflation; higher than expected utilization of medical services; the introduction of new or costly treatments and technology; and membership mix.

Cigna records medical claims reserves for estimated future payments. The Company continually reviews estimates of future payments relating to medical claims costs for services incurred in the current and prior periods and makes necessary adjustments to its reserves. However, actual health care costs may exceed what was estimated.

Significant stock market declines could result in additional pension obligations, increased funding for those obligations, and increased pension plan expenses.

Cigna currently has unfunded obligations in its frozen pension plans. A significant decline in the value of the plan's equity and fixed income investments or unfavorable changes in applicable laws or regulations could materially increase Cigna's expenses and change the timing and amount of required plan funding that could reduce the cash available to Cigna, including its subsidiaries. See Note 10 to Cigna's Consolidated Financial Statements for more information on the Company's obligations under the pension plan.

Significant changes in market interest rates affect the value of Cigna's financial instruments that promise a fixed return or benefit and the value of particular assets and liabilities.

As an insurer, Cigna has substantial investment assets that support insurance and contractholder deposit liabilities. Generally low levels of interest rates on investments, such as those experienced in United States and foreign financial markets during recent years, have negatively impacted the level of investment income earned by the Company in recent periods, and such lower levels of investment income would continue if these lower interest rates were to continue.

Substantially all of the Company's investment assets are in fixed interest-yielding debt securities of varying maturities, fixed redeemable preferred securities and commercial mortgage loans. The value of these investment assets can fluctuate significantly with changes in market conditions. A rise in interest rates could reduce the value of the Company's investment portfolio and increase interest expense if Cigna were to access its available lines of credit.

The Company is also exposed to interest rate and equity risk associated with the Company's pension and other post-retirement obligations. Sustained declines in interest rates could have an adverse impact on the funded status of the Company's pension plans and the Company's reinvestment yield on new investments.

A downgrade in the financial strength ratings of Cigna's insurance subsidiaries could adversely affect new sales and retention of current business, and a downgrade in Cigna's debt ratings would increase the cost of borrowed funds and affect the Company's ability to access capital.

Financial strength, claims paying ability and debt ratings by recognized rating organizations are an important factor in establishing the competitive position of insurance companies and health benefits companies. Ratings information by nationally recognized ratings agencies is broadly disseminated and generally used throughout the industry. Cigna believes the claims paying ability and financial strength ratings of its principal insurance subsidiaries are an important factor in marketing its products to certain of Cigna's customers. In addition, Cigna Corporation's debt ratings impact both the cost and availability of future borrowings, and accordingly, its cost of capital. Each of the rating agencies reviews Cigna's ratings periodically and there can be no assurance that current ratings will be maintained in

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the future. In addition, a downgrade of these ratings could make it more difficult to raise capital and to support business growth at Cigna's insurance subsidiaries.

Insurance ratings represent the opinions of the rating agencies on the financial strength of a company and its capacity to meet the obligations of insurance policies. The principal agencies that rate Cigna's insurance subsidiaries characterize their insurance rating scales as follows:

A.M. Best Company, Inc. ("A.M. Best"), A++ to S ("Superior" to "Suspended");

Moody's Investors Service ("Moody's"), Aaa to C ("Exceptional" to "Lowest");

Standard & Poor's Corp. ("S&P"), AAA to R ("Extremely Strong" to "Regulatory Action"); and

Fitch, Inc. ("Fitch"), AAA to D ("Exceptionally Strong" to "Order of Liquidation").

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PART I

ITEM 1A Risk Factors

As of February 28, 2013, the insurance financial strength ratings were as follows for the Cigna subsidiaries, Connecticut General Life Insurance Company ("CGLIC"), Life Insurance Company of North America ("LINA") and Cigna Health & Life Insurance Company ("CHLIC"):

	CGLIC Insurance Ratings (1)	LINA Insurance Ratings (1)	CHLIC Insurance Ratings (1)
A.M. Best	A ("Excellent," 3rd of 16)	A ("Excellent," 3rd of 16)	A ("Excellent," 3rd of 16)
Moody's	A2 ("Good," 6th of 21)	A2 ("Good," 6th of 21)	A2 ("Good," 6th of 21)
S&P	A ("Strong," 6th of 21)	(Not Rated)	A ("Strong," 6th of 21)
Fitch	A ("Strong," 6th of 19)	A ("Strong," 6th of 19)	(Not Rated)

(1) Includes the rating assigned, the agency's characterization of the rating and the position of the rating in the agency's rating scale (e.g., CGLIC's rating by A.M. Best is the 3rd highest rating awarded in its scale of 16).

Global market, economic and geopolitical conditions may cause fluctuations in equity market prices, interest rates and credit spreads, which could impact the Company's ability to raise or deploy capital as well as affect the Company's overall liquidity.

If the equity markets and credit market experience extreme volatility and disruption, there could be downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. Extreme disruption in the credit markets could adversely impact the Company's availability and cost of credit in the future. In addition, unpredictable or unstable market conditions or continued pressure in the global or U.S. economy, such as the sovereign debt crisis in the European Union and uncertainty regarding the U.S. fiscal position, including with respect to the federal debt ceiling, could result in reduced opportunities to find suitable opportunities to raise capital.

In November 2011, Cigna issued $2.1 billion in aggregate principal amount of senior notes to finance part of the cost for the HealthSpring acquisition. As of December 31, 2012, the Company's outstanding long-term debt totaled $5.0 billion. Cigna's increased debt obligations could make the Company more vulnerable to general adverse economic and industry conditions and require the Company to dedicate increased cash flow from operations to the payment of principal and interest on its debt, thereby reducing the funds it has available for other purposes, such as investments in ongoing businesses, acquisitions, dividends and stock repurchases. In these circumstances, the Company's ability to execute on its strategy may be limited, its flexibility in planning for or reacting to changes in its business and market conditions may be reduced, or its access to capital markets may be limited such that additional capital may not be available or may only be available on unfavorable terms.

Unfavorable developments in economic conditions may adversely affect our business, results of operations and financial condition.

The economic conditions in the U.S. and globally continue to be challenging. Continued concerns about slow economic growth, high unemployment rates, the sovereign debt crisis in the European Union and uncertainty regarding the U.S. fiscal position, geopolitical issues, the availability and cost of credit and other capital, consumer spending and other factors continue to negatively impact expectations for the U.S. and global economy. Unfavorable economic conditions could cause lower enrollment in our plans and negatively impact the demand for certain of our products and services as employers try to reduce their operating costs. As a result, they may modify, delay or cancel plans to purchase the Company's products, may make changes in the mix of products purchased that are unfavorable to the Company, or may be forced to reduce their workforces. Specifically, higher unemployment rates as a result of an economic downturn could lead to lower enrollment in the Company's employer group plans, lower enrollment in our non-employer individual plans and a

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higher number of employees opting out of Cigna's employer group plans. The adverse economic conditions could also cause employers to stop offering certain health care coverage as an employee benefit or elect to offer this coverage on a voluntary, employee-funded basis as a means to reduce their operating costs. All of these developments could lead to a decrease in Cigna's membership levels and premium and fee revenues. Additionally, Cigna's previous disability claim experience and industry data indicate that submitted disability claims rise under adverse economic conditions, although the impact of the current adverse economic conditions is not clear. Further, if customers are not successful in generating sufficient revenue or are precluded from securing financing, they may not be able to pay, or may delay payment of, accounts receivable that are owed to the Company. Further, our customers or potential customers may force us to compete more vigorously on factors such as price and service to retain or obtain their business. All of these could lead to a decrease in our membership levels and revenues, and could materially and adversely affect our business, results of operations and financial condition. In addition, a prolonged unfavorable economic environment could adversely impact the financial position of hospitals and other care providers, which could increase our medical costs as hospitals and other care providers attempt to maintain revenue levels in their efforts to adjust to their own economic challenges. The same conditions that may affect Cigna's customers and network also could adversely affect its vendors, causing them to significantly and quickly increase their prices or reduce their output. Cigna's business depends on its ability to perform its necessary business functions in an efficient and uninterrupted fashion.

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During a prolonged unfavorable economic environment, state and federal budgets could be materially and adversely affected, resulting in reduced reimbursements or payments in federal and state government coverage programs, such as Medicare and social security. In addition, the state and federal budgetary pressures could cause the government to impose new or a higher level of taxes or assessments on us, such as premium taxes on insurance companies and health maintenance organizations and surcharges or fees on select fee-for-service and capitated medical claims. Although we could attempt to mitigate or cover our exposure from such increased costs through, among other things, increases in premiums, there can be no assurance that we will be able to mitigate or cover all of such costs which may have a material adverse effect on our business, results of operations, financial condition and liquidity.

Cigna is subject to the credit risk of its reinsurers.

Cigna enters into reinsurance arrangements with other insurance companies, primarily to limit losses from large exposures or to permit recovery of a portion of direct losses. The Company may also enter into reinsurance arrangements in connection with acquisition or divestiture transactions where the underwriting company is not being acquired or sold. The run-off businesses that Cigna has effectively exited through reinsurance include, among others: the retirement benefit business reinsured by Prudential Retirement Insurance and Annuity Company; the individual life insurance and annuity business reinsured by Lincoln National Life Insurance Company and Lincoln Life and Annuity of New York; and the VADBe and GMIB businesses reinsured by Berkshire Hathaway Life Insurance Company of Nebraska on February 4, 2013.

Under all reinsurance arrangements, reinsurers assume insured losses, subject to certain limitations or exceptions that may include a loss limit. These arrangements also subject Cigna to various obligations, representations and warranties with the reinsurers. Reinsurance does not relieve the Company of liability as the originating insurer. Cigna remains liable to the underlying policyholders if a reinsurer defaults on obligations under the reinsurance arrangement. Although the Company regularly evaluates the financial condition of reinsurers to minimize exposure to significant losses from reinsurer insolvencies, reinsurers may become financially unsound. If a reinsurer fails to meet its obligations under the reinsurance contract or if the liabilities exceed any applicable loss limit, the Company will be forced to cover the claims on the reinsured policies.

The collectability of amounts due from reinsurers is subject to uncertainty arising from a number of factors, including whether the insured losses meet the qualifying conditions of the reinsurance contract, whether reinsurers or their affiliates have the financial capacity and willingness to make payments under the terms of the reinsurance contract, and the magnitude and type of collateral supporting the Company's reinsurance recoverable, such as by sufficient qualifying assets in trusts or letters of credit issued. Although a portion of the Company's reinsurance exposures are secured, the inability to collect a material recovery from a reinsurer could have a material adverse effect on the Company's results of operations, financial condition and liquidity.

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ITEM 1B Unresolved Staff Comments

None.

ITEM 2 Properties

Cigna's global real estate portfolio consists of approximately 8.1 million square feet of owned and leased properties. Our domestic portfolio has approximately 6.7 million square feet in 40 states, the District of Columbia, and Puerto Rico. Our International properties contain approximately 1.4 million square feet located throughout the following countries: Belgium, Canada, China, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Malaysia, Netherlands, New Zealand, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, and the United Kingdom.

Our principal, domestic office locations, including various support operations, along with Group Disability and Life Insurance, Health Services, Core Medical and Service Operations and the domestic office of Cigna's Global Supplemental Benefits business are the Wilde Building located at 900 Cottage Grove Road in Bloomfield, Connecticut (Cigna's corporate headquarters) and Two Liberty Place located at 1601 Chestnut Street in Philadelphia, Pennsylvania. The Wilde Building measures approximately 833,000 square feet and is owned, while Two Liberty Place measures approximately 462,000 square feet and is leased office space.

Cigna believes its properties are adequate and suitable for its business as presently conducted. The foregoing does not include information on investment properties.

ITEM 3 Legal Proceedings

The information contained under "Litigation and Other Legal Matters" in Note 24 to Cigna's Financial Statements beginning on page 122 of this Form 10-K, is incorporated herein by reference.

ITEM 4 Mine Safety Disclosures

Not applicable.

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EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected to serve for a one-year term or until their successors are elected. Principal occupations and employment during the past five years are listed below.

MARK L. BOXER, 53, Executive Vice President and Global Chief Information Officer of Cigna beginning April 2011; Deputy Chief Information Officer, Xerox Corporation; Group President, Government Health Care, for Xerox Corporation/Affiliated Computer Services from March 2009 until April 2011; Executive Vice President and President of Wellpoint's Operations, Technology and Government Services unit, as well as other senior management roles at WellPoint from November 2000 until November 2008.

DAVID M. CORDANI, 47, Chief Executive Officer of Cigna beginning December 2009; Director since 2009; President beginning June 2008; Chief Operating Officer from June 2008 until December 2009; and President of Cigna HealthCare from July 2005 until June 2008.

HERBERT A. FRITCH, 61, President, Cigna HealthSpring beginning January 2012; Chairman of the Board and Chief Executive Officer of HealthSpring and its predecessor, NewQuest, LLC, from commencement of operations in September 2000 until HealthSpring was acquired by Cigna in January 2012; also served as President of HealthSpring, from September 2000 until October 2008.

DAVID D. GUILMETTE, 51, President, Global Employer Segment beginning July 2012; President, National, Pharmacy and Product from November 2011 until July 2012; President, National Segment from February 2010 until November 2011; and Managing Director of Towers Perrin Global Health & Welfare from January 2005 until January 2010.

NICOLE S. JONES, 42, Executive Vice President and General Counsel of Cigna beginning June 2011; Senior Vice President and General Counsel of Lincoln Financial Group from May 2010 until June 2011; Vice President and Deputy General Counsel of Cigna from April 2008 until May 2010; Vice President and Chief Counsel of Domestic Health Service, Securities and Investment Law of Cigna from September 2006 until April 2008; and Corporate Secretary of Cigna from September 2006 until April 2010.

MATTHEW G. MANDERS, 51, President, Regional and Operations beginning November 2011; President, U.S. Service, Clinical and Specialty from January 2010 until November 2011; President of Cigna HealthCare, Total Health, Productivity, Network & Middle Market from June 2009 until January 2010; and President, of Cigna's Customer Segments from July 2006 until June 2009.

JOHN M. MURABITO, 54, Executive Vice President, Human Resources and Services of Cigna beginning August 2003.

RALPH J. NICOLETTI, 55, Executive Vice President and Chief Financial Officer of Cigna beginning June 2011; Executive Vice President and Chief Financial Officer of Alberto-Culver, Inc. from August 2009 until May 2011; and Senior Vice President and Chief Financial Officer of Alberto-Culver, Inc. from February 2007 until August 2009;

JASON D. SADLER, 44, President, Global Individual Health, Life and Accident beginning July 2010, and Managing Director Insurance Business Hong Kong, HSBC Insurance Asia Limited from January 2007 until July 2010.

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PART II

ITEM 5 Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The information under the caption "Quarterly Financial Data-Stock and Dividend Data" appears on page 127 and the number of shareholders of record as of December 31, 2012 appears under the caption "Highlights" on page 31 of this Form 10-K. Cigna's common stock is listed with, and trades on, the New York Stock Exchange under the symbol "CI".

Issuer Purchases of Equity Securities

The following table provides information about Cigna's share repurchase activity for the quarter ended December 31, 2012:

Period	Total # of shares purchased [1]	Average price paid per share	Total # of shares purchased as part of publicly announced program [2]	Approximate dollar value of shares that may yet be purchased as part of publicly announced program [3]
October 1-31, 2012	2,467,731	$ 49.55	2,464,898	$ 314,709,797
November 1-30, 2012	4,612	$ 53.07	-	$ 314,709,797
December 1-31, 2012	9,501	$ 53.13	-	$ 314,709,797
TOTAL	**2,481,844**	**$ 49.57**	**2,464,898**	**N/A**

(1) *Includes shares tendered by employees as payment of taxes withheld on the exercise of stock options and the vesting of restricted stock granted under the Company's equity compensation plans. Employees tendered 2,833 shares in October, 4,612 in November and 9,501 shares in December 2012.*

(2) *Cigna has had a repurchase program for many years, and has had varying levels of repurchase authority and activity under this program. The program has no expiration date. Cigna suspends activity under this program from time to time and also removes such suspensions, generally without public announcement. Through December 31, 2012, the Company had repurchased approximately 4.4 million shares for approximately $208 million. Remaining authorization under the program was approximately $315 million as of December 31, 2012. On February 27, 2013, the Company's Board of Directors increased share repurchase authority by $500 million, making the remaining authorization $815 million as of February 28, 2013.*

(3) *Approximate dollar value of shares is as of the last date of the applicable month.*

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ITEM 6 Selected Financial Data

The selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and accompanying notes included elsewhere herein.

Highlights

(Dollars in millions, except per share amounts)	2012	2011	2010	2009	2008
Revenues					
Premiums and fees and other revenues	$ 26,308	$ 19,210	$ 18,528	$ 16,018	$ 16,880
Net investment income	1,144	1,146	1,105	1,014	1,063
Mail order pharmacy revenues	1,623	1,447	1,420	1,282	1,204
Realized investment gains (losses)	44	62	75	(43)	(170)
TOTAL REVENUES	**$ 29,119**	**$ 21,865**	**$ 21,128**	**$ 18,271**	**$ 18,977**
Results of Operations:					
Global Health Care	$ 1,418	$ 1,105	$ 940	$ 775	$ 732
Group Disability and Life	279	295	305	306	282
Global Supplemental Benefits	142	97	84	107	70
Run-off Reinsurance	-	(183)	26	185	(646)
Other Operations	82	89	85	86	87
Corporate	(329)	(184)	(211)	(142)	(162)
Realized investment gains (losses), net of taxes and noncontrolling interest	31	41	50	(26)	(110)
Shareholders' income from continuing operations	1,623	1,260	1,279	1,291	253
Income from continuing operations attributable to redeemable noncontrolling interest	1	-	-	-	-
Income from continuing operations attributable to other noncontrolling interest	-	1	4	3	2
Income from continuing operations	1,624	1,261	1,283	1,294	255
Income from discontinued operations, net of taxes	-	-	-	1	4
NET INCOME	**$ 1,624**	**$ 1,261**	**$ 1,283**	**$ 1,295**	**$ 259**
Shareholders' income per share from continuing operations:					
Basic	$ 5.70	$ 4.65	$ 4.69	$ 4.71	$ 0.91
Diluted	$ 5.61	$ 4.59	$ 4.65	$ 4.69	$ 0.91
Shareholders' net income per share:					
Basic	$ 5.70	$ 4.65	$ 4.69	$ 4.71	$ 0.93
Diluted	$ 5.61	$ 4.59	$ 4.65	$ 4.69	$ 0.92
Common dividends declared per share	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.04
Total assets	$ 53,734	$ 50,697	$ 45,393	$ 42,794	$ 41,206
Long-term debt	$ 4,986	$ 4,990	$ 2,288	$ 2,436	$ 2,090
Shareholders' equity	$ 9,769	$ 7,994	$ 6,356	$ 5,198	$ 3,392
Per share	$ 34.18	$ 28.00	$ 23.38	$ 18.95	$ 12.51
Common shares outstanding (in thousands)	285,829	285,533	271,880	274,257	271,036
Shareholders of record	7,885	8,178	8,568	8,888	9,014
Employees	35,800	31,400	30,600	29,300	30,300

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Effective December 31, 2012, the Company changed its external reporting segments. See Note 23 to the Consolidated Financial Statements for additional information. Prior year segment information has been conformed to the new segment structure.

See Note 2 to the Consolidated Financial Statements for further discussion of changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs in 2012.

Beginning in 2010, the Company began reporting the expense associated with its frozen pension plans in Corporate. Prior periods were not restated. The effect on prior periods was not material.

In 2008, the Company recorded significant charges related to the guaranteed minimum income benefits and guaranteed minimum death benefits businesses of the Run-off Reinsurance segment, as well as an after-tax litigation charge of $52 million in Corporate related to the Cigna pension plan.

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ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

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Introduction">

Introduction

As used in this document, "Cigna" the "Company", "we" and "our" may refer to Cigna Corporation itself, one or more of its subsidiaries, or Cigna Corporation and its consolidated subsidiaries. The Company is a global health services organization with a mission to help its customers improve their health, well-being and sense of security. Its insurance subsidiaries are major providers of medical, dental, disability, life and accident insurance and related products and services, the majority of which are offered through employers and other groups (e.g. governmental and non-governmental organizations, unions and associations). Cigna also offers Medicare and Medicaid products and health, life and accident insurance coverages primarily to individuals in the U.S. and selected international markets. In addition to its ongoing operations described above, Cigna also has certain run-off operations, including a Run-off Reinsurance segment.

In this filing and in other marketplace communications, the Company makes certain forward-looking statements relating to its financial condition and results of operations, as well as to trends and assumptions that may affect the Company. Generally, forward-looking statements can be identified through the use of predictive words (e.g. "Outlook for 2013"). Actual results may differ from the Company's predictions.

Some factors that could cause results to differ are discussed throughout Management's Discussion and Analysis ("MD&A"), including in the Cautionary Statement. The forward-looking statements contained in this filing represent management's current estimate as of the date of this filing. Management does not assume any obligation to update these estimates.

The following discussion addresses the financial condition of the Company as of December 31, 2012, compared with December 31, 2011, and a comparison of results of operations for the years ended December 31, 2012, 2011 and 2010.

Unless otherwise indicated, financial information in the MD&A is presented in accordance with accounting principles generally accepted in the United States ("GAAP"). See Note 2 to the Consolidated Financial Statements for the effect of the January 2012 retrospective adoption of the amended accounting guidance for deferred policy acquisition costs. Certain reclassifications have been made to prior period amounts to conform to the presentation of 2012 amounts.

See Note 2 to the Consolidated Financial Statements for additional information.

Effective December 31, 2012, Cigna changed its external reporting segments to reflect the Company's realignment of its businesses to better leverage distribution and service delivery capabilities for the benefit of our global clients and customers. Management believes the realignment of its businesses will enable the Company to more effectively address global health services challenges by leveraging best practices across geographies to improve the health, well being and sense of security of the global customers that the Company serves. The changes in the Company's internal financial reporting structure, to support this realignment, took effect on December 31, 2012 and

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resulted in changes to our external reporting segments. The Company's results are now aggregated based on the nature of the Company's products and services, rather than its geographies.

The primary segment reporting change is that the two businesses that comprised the former International segment (international health care

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and supplemental health, life and accident) are now reported as follows:

- substantially all of the international health care business (comprised primarily of the global health benefits business) is now reported with the former Health Care segment and renamed ***Global Health Care***; and
- the supplemental health, life and accident business becomes a separate reporting segment named ***Global Supplemental Benefits***.

As a result of these changes, the financial results of Cigna's businesses are now reported in the following segments:

- Global Health Care aggregates the following two operating segments:
  - Commercial (including the international health care business)
  - Government
- Group Disability and Life
- Global Supplemental Benefits
- Run-off Reinsurance and
- Other Operations, including Corporate-owned Life Insurance.

Prior year segment information has been conformed to the new segment structure.

Significant Factors Affecting the Company

For information on the Company's business strategy, see the "Description of Business" section of this Form 10-K beginning on page 1. The Company's ability to increase revenue, shareholders' net income and operating cash flows from ongoing operations is directly related to progress in executing its strategy as well as other key factors, including the Company's ability to:

- profitably underwrite and price products and services at competitive levels that manage risk and reflect emerging experience;
- cross sell its various health and related benefit products;
- invest available cash at attractive rates of return for appropriate durations; and
- effectively deploy capital.

In addition to the Company-specific factors cited above, overall results are influenced by a range of economic and other factors, especially:

- cost trends and inflation for medical and related services;
- utilization patterns of medical and other services;
- employment levels;
- the tort liability system;
- developments in the political environment both domestically and internationally, including U.S. Health Care Reform;
- interest rates, equity market returns, foreign currency fluctuations and credit market volatility, including the availability and cost of credit in the future;
- Medicare reimbursement rates issued by the Centers for Medicare and Medicaid Services ("CMS"), including the bonus structure based on CMS performance ratings; and
- federal, state and international regulation.

The Company regularly monitors the trends impacting operating results from the above mentioned key factors to appropriately respond to economic and other factors affecting its operations, both in its ongoing and run-off operations.

Run-off Operations

As of December 31, 2012 the Company's run-off reinsurance operations had significant exposures, primarily from its guaranteed minimum death benefits ("GMDB", also known as "VADBe") and guaranteed minimum income benefits ("GMIB") products. Effective February 4, 2013, the Company entered into an agreement to reinsure 100% of the Company's future exposures for these businesses,

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net of retrocessional arrangements in place prior to February 4, 2013, up to a specified limit. See Note 25 to the Consolidated Financial Statements for additional information.

Health Care Reform

In the first quarter of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act ("Health Care Reform") were signed into law. Certain of the law's provisions are already effective while others will take effect from 2013 to 2018. The Company has implemented the provisions of Health Care Reform that are currently in effect (including the commercial minimum medical loss ratio requirements) and continues its implementation planning for those provisions that must be adopted in the future. Management is currently unable to estimate the full impact of Health Care Reform on the Company's future results of operations, and its financial condition and liquidity due to uncertainties related to interpretation, implementation and timing of its many provisions as well as the potential for the law to be amended. It is possible, however, that certain provisions of Health Care Reform could have a material impact on future results of operations.

Commercial minimum medical loss ratio requirements became effective in January 2011, requiring payment of premium rebates beginning in 2012 to employers and customers covered under the Company's comprehensive commercial medical insurance plans if certain annual minimum loss ratios are not met. The Company recorded its rebate accrual based on estimated medical loss ratios calculated as prescribed by the U.S. Department of Health and Human Services ("HHS") using full-year premium and claim information by state and market segment for each legal entity that issues comprehensive medical insurance. HHS regulations permit adjustments to be made to the claims used in the calculation for Cigna's international health care and limited benefits plans subject to the MLR minimums. The adjustments for limited benefit plans are only allowed through 2014. In 2012, the Company accrued an estimated rebate of $37 million pre-tax ($24 million after-tax), compared with an accrual of $63 million pre-tax ($41 million after-tax) in 2011. The Company paid $77 million in 2012, slightly higher than the estimated rebate accrual of $63 million, primarily due

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to the favorable claim run-out of 2011 estimated claim reserves in 2012. The decrease in the 2012 estimated rebate accrual compared to 2011 reflects changes to the 2012 minimum loss ratio calculation in accordance with HHS regulations that can include combined 2011 and 2012 experience including rebates paid for the 2011 plan year, lower premiums resulting from a change in business practice regarding the billing for broker commissions, as well as modestly higher loss ratios due to slightly higher utilization.

Health Care Reform imposes new fees on health insurers that become payable in 2013 and 2014. Payment of these fees will result in charges to the Company's financial results in future periods. These fees will generally not be tax deductible with the exception of the reinsurance assessments on insurers and HMOs. Accordingly, the Company's effective tax rate is expected to be adversely impacted in future periods. The amount of the fees is expected to be material, although the Company is unable to estimate the impact of these fees on shareholders' net income and the effective tax rate because guidance for these calculations has not been finalized.

Health Care Reform also impacts Cigna's Medicare Advantage and Medicare Part D prescription drug plan businesses acquired with HealthSpring in a variety of additional ways, including reduced Medicare premium rates (that began with the 2011 contract year), mandated minimum reductions to risk scores (beginning in 2014), transition of Medicare Advantage "benchmark" rates to Medicare fee-for-service parity, reduced enrollment periods and limitations on disenrollment, providing "quality bonuses" for Medicare Advantage plans with a rating of four or five stars from CMS, and mandated consumer discounts on brand name and generic prescription drugs for Medicare Part D plan participants in the coverage gap. Beginning in 2014, Health Care Reform requires Medicare Advantage and Medicare Part D plans to meet a minimum MLR of 85%. Under the rules proposed by HHS, if the MLR for a CMS contract is less than 85%, the contractor is required to pay a penalty to CMS and could be subject to additional sanctions if the MLR continues to be less than 85% for successive years.

Effective in 2014, each state is required to establish a health insurance exchange for individuals and small employers with enrollment processes scheduled to commence in October of 2013. These exchanges may either be state-based, a state partnership, or federally facilitated. Of the ten states where the Company currently offers individual coverage, most currently expect to use a federally facilitated exchange. Cigna will continue to evaluate its potential participation in these exchanges in each market as they develop.

On June 28, 2012, the U.S. Supreme Court upheld the constitutionality of most parts of Health Care Reform, including the obligation to purchase health care coverage (the "individual mandate"). Management continues to closely monitor the implementation of Health Care Reform and is actively engaged with regulators and policymakers on the conversion of legislation to regulation. In addition, management is implementing the necessary capabilities to ensure that the Company is compliant with the law and assessing potential opportunities arising from Health Care Reform. These opportunities include the continued evolution and innovation of our broad health and wellness portfolio to improve the health and productivity of our clients and customers, as well as the expansion of our physician partnership capabilities to improve the quality of care and service experience for our customers while lowering costs and improving overall value.

For additional information regarding Health Care Reform, see the "Regulation" section of the Company's 2012 Form 10-K.

Realignment and Efficiency Plan

During the third quarter of 2012, the Company, in connection with the execution of its strategy, committed to a series of actions to further improve its organizational alignment, operational effectiveness, and efficiency. As a result, the Company recognized charges in other operating expenses of $77 million pre-tax ($50 million after-tax) in the third quarter of 2012, consisting primarily of severance costs. The Global Health Care segment reported $65 million pre-tax ($42 million after-tax) of the charge. The remainder was reported as follows: $9 million pre-tax ($6 million after- tax) in Global Supplemental Benefits and $3 million pre-tax ($2 million after-tax) in Group Disability and Life. The severance costs are expected to be substantially paid in 2013. The Company expects to realize annualized after-tax savings of approximately $60 million, the majority of which is expected to be reinvested in the business in order to enhance the Company's ability to provide superior service and affordable products to our customers.

Acquisitions and Dispositions

In line with its growth strategy, the Company has strengthened its market position through various acquisition transactions. See Note 3 to the Consolidated Financial Statements for additional information.

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Consolidated Results of Operations">

Consolidated Results of Operations – Executive Summary

The Company measures the financial results of its segments using "segment earnings (loss)", that is defined as shareholders' net income (loss) before after-tax realized investment results. Adjusted income (loss) from operations is defined as consolidated segment earnings (loss) excluding special items (described in the table below) and the results of the GMIB business. Adjusted income (loss) from operations is another measure of profitability used by the Company's management because it presents the underlying results of operations of the Company's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income. This measure is not determined in accordance with accounting principles generally accepted in the United States ("GAAP") and should not be viewed as a substitute for the most directly comparable GAAP measure, that is shareholders' net income.

The Company excludes special items because management does not believe they are representative of the Company's underlying results of operations. The Company also excludes the results of the GMIB business because the changes in the fair value of GMIB assets and liabilities are volatile and unpredictable. See the Run-off Reinsurance section of the MD&A for additional information on GMIB. Because of this volatility, and since the GMIB business is in run-off, management does not believe that its results are meaningful in assessing underlying results of operations.

Summarized below is a reconciliation between shareholders' income from continuing operations and adjusted income from operations.

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 26,187	$18,966	$18,274
Net investment income	1,144	1,146	1,105
Mail order pharmacy revenues	1,623	1,447	1,420
Other revenues	121	244	254
Realized investment gains	44	62	75
Total revenues	29,119	21,865	21,128
Benefits and expenses	26,642	19,989	19,326
Income before income taxes	2,477	1,876	1,802
Income taxes	853	615	519
Net income	1,624	1,261	1,283
Less: net income attributable to redeemable noncontrolling interest	1	-	-
Less: net income attributable to other noncontrolling interest	-	1	4
Shareholders' net income	1,623	1,260	1,279
Less: realized investment gains, net of taxes	31	41	50
SEGMENT EARNINGS	**1,592**	**1,219**	**1,229**
Less: adjustments to reconcile to adjusted income from operations:			
Results of GMIB business (after-tax)	29	(135)	(24)
Special items (after-tax):			
Charge for realignment and efficiency plan (See Note 6 to the Consolidated Financial Statements)	(50)	-	-
Costs associated with acquisitions (See Note 3 to the Consolidated Financial Statements)	(40)	(31)	-
Resolution of a federal tax matter (See Note 20 to the Consolidated Financial Statements)	-	-	101
Loss on early extinguishment of debt (See Note 16 to the Consolidated Financial Statements)	-	-	(39)
Loss on reinsurance transaction (See Note 3 to the Consolidated Financial Statements)	-	-	(20)
Litigation Matters (See Note 24 to the Consolidated Financial Statements)	(81)	-	-
Completion of IRS examination (See Note 20 to the Consolidated Financial Statements)	-	24	-
ADJUSTED INCOME FROM OPERATIONS	**$ 1,734**	**$ 1,361**	**$ 1,211**

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PART II

ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Summarized below is adjusted income from operations by segment and other key consolidated financial data:

Adjusted Income (Loss) From Operations *(In millions)*	**2012**	**2011**	**2010**
Global Health Care	$ 1,480	$ 1,104	$ 940
Group Disability and Life	281	290	305
Global Supplemental Benefits	148	100	84
Run-off Reinsurance	(29)	(48)	(27)
Other Operations	82	85	85
Corporate	(228)	(170)	(176)
TOTAL	**$ 1,734**	**$ 1,361**	**$ 1,211**
Other Key Consolidated Financial Data			
Global medical customers (*in thousands)*	14,045	12,680	12,473
Cash flows from operating activities	$ 2,350	$ 1,491	$ 1,743
Shareholders' equity	$ 9,769	$ 7,994	$ 6,356

Consolidated Results of Operations – 2012 Compared to 2011

Revenues increased 33% in 2012, primarily reflecting contributions from HealthSpring as well as higher revenues in each of the Company's ongoing businesses from continued growth in the Company's targeted global market segments. See further detailed discussion of revenues below and segment revenues in the individual segment discussions of this MD&A.

Shareholders' net income increased 29% in 2012, primarily resulting from substantially higher adjusted income from operations as discussed below and significantly improved GMIB results due to more favorable market conditions in 2012. See the Run-off Reinsurance section of this MD&A for additional information on GMIB results. These favorable effects were partially offset by the 2012 special items for litigation and the realignment and efficiency plan.

Adjusted income from operations increased 27% in 2012, largely attributable to earnings contributions from HealthSpring, as well as overall revenue growth in the other ongoing operating segments and lower charges related to the GMDB business. See the individual segment sections of this MD&A for further discussion.

Global medical customers increased 11% primarily attributable to growth in strategically targeted global markets reflecting solid customer persistency and strong new sales as well as the acquisition of HealthSpring.

Consolidated Results of Operations – 2011 Compared to 2010

Revenues rose 3% in 2011 compared with 2010, reflecting solid growth in the Company's strategically targeted domestic and international customer segments of its ongoing global health care, global supplemental benefits, and group disability and life businesses. In addition, the increase in revenue reflects the effect of the programs to hedge equity and growth interest rate exposures in the run-off reinsurance operations. See the Run-off Reinsurance section of this MD&A beginning on page 47 for additional information. These increases were partially offset by the exit from certain non-strategic markets, primarily the Medicare Advantage Individual Private Fee For Service ("Medicare IPFFS") business.

Shareholders' net income decreased 1% in 2011 compared with 2010, due to significantly higher GMIB losses principally reflecting lower interest rates, substantially offset by higher adjusted income from operations.

Adjusted income from operations increased 12% in 2011 compared with 2010 primarily due to higher earnings contributions from the Company's Global Health Care and Global Supplemental Benefits segments. These results reflect solid business growth in strategically targeted markets and continued low medical services utilization trend.

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Global medical customers increased 2%, reflecting growth in targeted markets, primarily the middle and select market segments domestically as well as growth in the international health care business. These increases were partially offset by exits from certain non-strategic markets, primarily Medicare IPFFS.

Liquidity and Financial Condition

During 2012, the following items affected the Company's liquidity and financial condition:

Cash flows from operating activities. For 2012, cash flows from operating activities were higher than 2011 primarily attributable to strong earnings and business growth in the Company's ongoing operating segments.

Acquisitions. During 2012, the Company acquired HealthSpring, Great American Supplemental Benefits and Finans Emeklilik for a combined purchase price of approximately $4.2 billion. See Note 3 to the Consolidated Financial Statement for additional information.

Repayment of Debt. During the first quarter of 2012, the Company repaid the acquired HealthSpring debt of $326 million. See Note 16 to the Consolidated Financial Statements for additional information.

Pension Plan Contributions. During 2012, the Company contributed $250 million to the Company's domestic qualified pension plans; See Note 10 to the Consolidated Financial Statements for additional information; and

Share Repurchase. The Company repurchased 4.4 million shares of stock for $208 million. See the Liquidity and Capital Resources section of this MD&A for additional information.

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Shareholders' equity increased since 2011, reflecting strong earnings in 2012 and net unrealized appreciation on investments. Cash at the parent company as of December 31, 2012 was approximately $700 million. As described in Note 25 to the Consolidated Financial Statements, on February 4, 2013, the Company entered into a reinsurance agreement for the Run-off GMDB and GMIB businesses. The reinsurance premium will ultimately be funded from the sale or internal transfer of investment assets that were supporting this book of business, as well as tax benefits related to the transaction, and cash. Based on known liquidity needs at the parent company for 2013, including the funding for the 2013 reinsurance transaction, management believes that the Company has adequate liquidity at the parent company level to satisfy its required obligations.

Outlook for 2013

The Company expects 2013 consolidated adjusted income from operations to be higher than 2012 results. Realized investment results in 2013 are expected to include after-tax gains ranging from $50 million to $150 million for investment asset sales to fund the reinsurance premium described above. In addition, special items in 2013 will include an after-tax charge of approximately $500 million related to the 2013 reinsurance transaction. Except for the items mentioned, information is not available for management to reasonably estimate realized investment results. In addition, the Company is not able to identify or reasonably estimate the financial impact of special items in 2013.

The Company's outlook for 2013 is subject to the factors cited above and in the Cautionary Statement of this Form 10-K and the sensitivities discussed in the Critical Accounting Estimates section of the MD&A. If unfavorable equity market and interest rate movements occur, the Company could experience losses related to investment impairments. These losses could adversely impact the Company's consolidated results of operations and financial condition and liquidity by potentially reducing the capital of the Company's insurance subsidiaries and reducing their dividend-paying capabilities.

Revenues

Total revenues increased by 33% in 2012, compared with 2011, and 3% in 2011 compared with 2010. Changes in the components of total revenue are described more fully below.

Premiums and Fees

Premiums and fees increased by 38% in 2012, compared with 2011, including contributions from the HealthSpring acquisition, customer growth in the other targeted market segments of the Global Health Care business and continued business growth in the Global Supplemental Benefits and Group Disability and Life segments.

Premiums and fees increased by 4% in 2011, compared with 2010, primarily reflecting business growth in the Company's targeted market segments, partially offset by the Company's exit from the Medicare IPFFS business beginning in 2011. Excluding this business, premiums and fees increased by 9% in 2011 compared with 2010.

Net Investment Income

Net investment income remained flat in 2012, compared with 2011, primarily reflecting higher average investment assets and improved results from partnership investments offset by lower reinvestment yields.

Net investment income increased by 4% in 2011, compared with 2010. The key factors causing the increase were higher investment assets and improved results from real estate investments, partially offset by lower reinvestment yields.

Mail Order Pharmacy Revenues

Mail order pharmacy revenues increased by 12% in 2012, compared with 2011, primarily reflecting higher prescription volume for injectible medications, partially offset by price decreases related to a shift to generic oral medications from brand names. In 2011, mail order pharmacy revenues increased by 2% compared with 2010 due in large part to price increases offset by a decline in volume.

Other Revenues

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Other revenues included pre-tax losses of $119 million in 2012 compared with $4 million in 2011 and $157 million in 2010 related to futures and swaps entered into as part of a dynamic hedge program to manage equity and growth interest rate risks in the Company's run-off reinsurance operations. See the Run-off Reinsurance section of the MD&A for more information on this program.

Excluding the impact of these swaps and futures contracts, other revenues declined 3% in 2012, compared with 2011. The decline primarily reflects the absence of revenue in 2012 from Cigna Government Services, which was sold in the second quarter of 2011, partially offset by contributions from HealthSpring.

Other revenues, excluding the impact of these swaps and futures contracts, declined 40% in 2011, compared with 2010. The decline primarily reflects the absence of revenue in 2011 from the workers' compensation and case management business, which was sold in 2010 as well as lower revenues in 2011 from Cigna Government Services, which was sold in the second quarter of 2011.

Realized Investment Results

Realized investment results in 2012 were lower than in 2011, primarily due to the absence of gains on sales of real estate held in joint ventures reported in 2011and lower prepayment fees received on fixed maturities, partially offset by lower impairment losses and higher valuation on hybrid securities.

Realized investment results in 2011 were lower than in 2010 primarily due to higher impairment losses on fixed maturities and valuation declines on hybrid securities, partially offset by higher gains on sales of real estate properties held in joint ventures.

See Note 15 to the Consolidated Financial Statements for additional information.

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Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures in the consolidated financial statements. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have a material effect on the Company's consolidated results of operations or financial condition.

Management has discussed the development and selection of its critical accounting estimates with the Audit Committee of the Company's Board of Directors and the Audit Committee has reviewed the disclosures presented below.

In addition to the estimates presented in the following table, there are other accounting estimates used in the preparation of the Company's consolidated financial statements, including estimates of liabilities for future policy benefits, as well as estimates with respect to unpaid claims and claim expenses, postemployment and postretirement benefits other than pensions, certain compensation accruals, and income taxes.

As explained further in Note 25 to the Consolidated Financial Statements, effective February 4, 2013, the Company entered into an agreement to reinsure 100% of the Company's GMDB and GMIB businesses, net of retrocessional arrangements in place prior to February 4, 2013, up to a specified limit. As a result, the Company will no longer consider liabilities associated with these contracts to be a critical accounting estimate because changes in these estimates are not expected to have a material effect on the Company's consolidated results of operations or financial condition.

Management believes the current assumptions used to estimate amounts reflected in the Company's consolidated financial statements are appropriate. However, if actual experience differs from the assumptions used in estimating amounts reflected in the Company's consolidated financial statements, the resulting changes could have a material adverse effect on the Company's consolidated results of operations, and in certain situations, could have a material adverse effect on the Company's liquidity and financial condition.

See Note 2 to the Consolidated Financial Statements for further information on significant accounting policies that impact the Company.

Balance Sheet Caption / Nature of Critical Accounting Estimate	**Effect if Different Assumptions Used**
Goodwill At the acquisition date, goodwill represents the excess of the cost of businesses acquired over the fair value of their net assets. The Company evaluates goodwill for impairment at least annually during the third quarter at the reporting unit level, based on discounted cash flow analyses and writes it down through results of operations if impaired. Discounted cash flow analyses use assumptions and estimates including discount rates and projections of future earnings considering operating plans, revenues, claims, operating expenses, taxes, capital levels and long-term growth rates. Goodwill as of December 31 was as follows (in millions): **2012 - $6,001** 2011 - $3,164	If the Company does not achieve its earnings objectives or its cost of capital rises significantly, the assumptions and estimates underlying these impairment evaluations could be adversely affected and result in impairment charges that would negatively impact the Company's operating results. The fair value estimates of the Company's reporting units could decrease by 40% to 80% before an indication of impairment of goodwill occurs. This potential outcome is estimated during the Company's annual testing process, by determining the magnitude of changes to certain assumptions and estimates necessary for the estimated fair value of a reporting unit to approach its carrying value.

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See Notes 2 (H) and 9 to the Consolidated Financial Statements for additional discussion of the Company's goodwill.

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Balance Sheet Caption / Nature of Critical Accounting Estimate	Effect if Different Assumptions Used
Accounts payable, accrued expenses and other liabilities – pension liabilities These liabilities are estimates of the present value of the qualified and nonqualified pension benefits to be paid (attributed to employee service to date) net of the fair value of plan assets. The accrued pension benefit liability as of December 31 was as follows (in millions): **2012 – $1,602** 2011 – $1,769 See Note 10 to the Consolidated Financial Statements for assumptions and methods used to estimate pension liabilities.	Using past experience, the Company expects that it is reasonably possible that a favorable or unfavorable change in assumptions for the discount rate or expected return on plan assets of 50 basis points could occur. An unfavorable change is a decrease in these key assumptions with resulting impacts as discussed below. If discount rates for the qualified and nonqualified pension plans decreased by 50 basis points: annual pension costs for 2013 would decrease by approximately $5 million, after-tax; and the accrued pension benefit liability would increase by approximately $280 million as of December 31, 2012 resulting in an after-tax decrease to shareholders' equity of approximately $180 million as of December 31, 2012. If the expected long-term return on domestic qualified pension plan assets decreased by 50 basis points, annual pension costs for 2013 would increase by approximately $11 million after-tax. If the Company used the market value of assets to measure pension costs as opposed to the market-related value, annual pension cost for 2013 would decrease by approximately $9 million after-tax. If the December 31, 2012 fair values of domestic qualified plan assets decreased by 10%, the accrued pension benefit liability would increase by approximately $365 million as of December 31, 2012 resulting in an after-tax decrease to shareholders' equity of approximately $235 million. An increase in these key assumptions would result in impacts to annual pension costs, the accrued pension liability and shareholders' equity in an opposite direction, but similar amounts.
Global Health Care medical claims payable	In 2012, actual experience differed from the Company's key assumptions as of December 31, 2011, resulting in $200 million of favorable incurred claims related to prior years' medical claims

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Medical claims payable for the Global Health Care segment include both reported claims and estimates for losses incurred but not yet reported.

Liabilities for medical claims payable as of December 31 were as follows (in millions):

2012 – gross $1,856; net $1,614

2011 – gross $1,305; net $1,056

These liabilities are presented above both gross and net of reinsurance and other recoverables and generally exclude amounts for administrative services only business.

See Notes 2 and 5 to the Consolidated Financial Statements for additional information regarding assumptions and methods used to estimate this liability.

payable or 2.2% of the current year incurred claims as reported in 2011. In 2011, actual experience differed from the Company's key assumptions as of December 31, 2010, resulting in $140 million of favorable incurred claims related to prior years' medical claims, or 1.5% of the current year incurred claims reported in 2010. Specifically, the favorable impact is due to faster than expected completion factors and lower than expected medical cost trends, both of which included an assumption for moderately adverse experience.

The impact of this favorable prior year development was an increase to shareholders' net income of $66 million after-tax ($101 million pre-tax) in 2012. The change in the amount of the incurred claims related to prior years in the medical claims payable liability does not directly correspond to an increase or decrease in shareholders' net income as explained in Note 5 to the Consolidated Financial Statements.

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Balance Sheet Caption / Nature of Critical Accounting Estimate	Effect if Different Assumptions Used
Valuation of fixed maturity investments	
Most fixed maturities are classified as available for sale and are carried at fair value with changes in fair value recorded in accumulated other comprehensive income (loss) within shareholders' equity. Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The determination of fair value for a financial instrument requires management judgment. The degree of judgment involved generally correlates to the level of pricing readily observable in the markets. Financial instruments with quoted prices in active markets or with market observable inputs to determine fair value, such as public securities, generally require less judgment. Conversely, private placements including more complex securities that are traded infrequently are typically measured using pricing models that require more judgment as to the inputs and assumptions used to estimate fair value. There may be a number of alternative inputs to select, based on an understanding of the issuer, the structure of the security and overall market conditions. In addition, these factors are inherently variable in nature as they change frequently in response to market conditions. Approximately two-thirds of the Company's fixed maturities are public securities, and one-third are private placement securities. See Note 11 to the Consolidated Financial Statements for a discussion of the Company's fair value measurements and the procedures performed by management to determine that the amounts represent appropriate estimates.	Typically, the most significant input in the measurement of fair value is the market interest rate used to discount the estimated future cash flows from the instrument. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset. If the spreads used to calculate fair value changed by 100 basis points, the fair value of the total fixed maturity portfolio of $17.7 billion would change by approximately $1.1 billion.
Assessment of "other-than-temporary" impairments of fixed maturities To determine whether a fixed maturity's decline in fair value below its amortized cost is other than temporary, the Company must evaluate the expected recovery in value and its intent to sell or the likelihood of a required sale of the fixed maturity prior to	For all fixed maturities with cost in excess of their fair value, if this excess was determined to be other-than-temporary, shareholders' net income for the year ended December 31, 2012 would have decreased by approximately $20 million after-tax.

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an expected recovery. To make this determination, the Company considers a number of general and specific factors including the regulatory, economic and market environment, length of time and severity of the decline, and the financial health and specific near term prospects of the issuer.

See Notes 2 (C) and 12 to the Consolidated Financial Statements for additional discussion of the Company's review of declines in fair value, including information regarding the Company's accounting policies for fixed maturities.

Segment Reporting">

Segment Reporting

The Company measures the financial results of its segments using "segment earnings (loss)", which is defined as shareholders' income (loss) from continuing operations excluding after-tax realized investment gains and losses. "Adjusted income from operations" for each segment is defined as segment earnings excluding special items and the results of the Company's GMIB business. Adjusted income from operations is the primary measure of profitability used by the Company's management because it presents the underlying results of operations of the segment and permits analysis of trends. Each segment provides a reconciliation between segment earnings and adjusted income from operations.

Effective December 31, 2012, the Company changed its reporting segments. See the Introduction section of the MD&A and Note 23 to the Consolidated Financial Statements for additional information. Global Health Care">

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Global Health Care Segment

Segment Description

As discussed in the Introduction section of this MD&A and Note 23 to the Consolidated Financial Statements, effective December 31, 2012, the Company changed its reporting segments. The Global Health Care segment now includes the Company's international health care business, previously reported in the former International segment and excludes certain disability and life business that is now reported in the Group Disability and Life segment. Prior year information has been conformed to the new segment presentation. The international health care business is included in the Commercial operating segment.

Global Health Care aggregates the following two operating segments:

The ***Commercial*** operating segment includes both the U.S. commercial and international health care businesses that offer insured and self-insured medical, dental, behavioral health, vision, and prescription drug benefit plans, health advocacy programs and other products and services that may be integrated to provide comprehensive global health care benefit programs to employers and their employees, including globally mobile individuals. Cigna, either directly or through its partners, offers some or all of these products and services in all 50 states, the District of Columbia, the U.S. Virgin Islands, Canada, Europe, the Middle East, and Asia. Cigna services its globally mobile customers virtually everywhere in the world. These products and services are offered through a variety of funding arrangements such as administrative services only (ASO), guaranteed cost and retrospectively experience rated.

The ***Government*** operating segment offers Medicare Advantage plans to seniors in 13 states and the District of Columbia, Medicare Part D plans in all 50 states and the District of Columbia and Medicaid plans. Results for the Government operating segment include HealthSpring from the date of acquisition, January 31, 2012.

The Company measures the operating effectiveness of the Global Health Care segment using the following key factors:

segment earnings and adjusted income from operations;

customer growth;

sales of specialty products;

other operating expense as a percentage of segment revenues (operating expense ratio); and

medical expense as a percentage of premiums (medical care ratio) in the guaranteed cost and Medicare businesses.

Results of Operations

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 20,973	$14,443	$14,134
Net investment income	259	263	230
Mail order pharmacy revenues	1,623	1,447	1,420
Other revenues	225	236	269
Segment revenues	23,080	16,389	16,053
Mail order pharmacy cost of goods sold	1,328	1,203	1,169
Benefits and other operating expenses	19,541	13,465	13,424
Benefits and expenses	20,869	14,668	14,593
Income before taxes	2,211	1,721	1,460
Income taxes	793	616	520
SEGMENT EARNINGS	**1,418**	**1,105**	**940**
Less: special items (after-tax) included in segment earnings:			

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Charge for realignment and efficiency plan (See Note 6 to the Consolidated Financial Statements)	(42)	-	-
Costs associated with the HealthSpring acquisition (See Note 3 to the Consolidated Financial Statements)	(7)	-	-
Completion of IRS examination (See Note 20 to the Consolidated Financial Statements)	-	1	-
Charge related to litigation matter (See Note 24 to the Consolidated Financial Statements)	(13)	-	-
ADJUSTED INCOME FROM OPERATIONS	**$ 1,480**	**$ 1,104**	**$ 940**
Realized investment gains, net of taxes	$ 9	$ 23	$ 25

Segment earnings increased 28% in 2012 compared with 2011, due to higher adjusted income from operations, partially offset by the special items related to the realignment and efficiency plan charge, the costs associated with the acquisition of HealthSpring and a litigation matter. Segment earnings increased 18% in 2011 compared with 2010, due to higher adjusted income from operations.

The Global Health Care segment's adjusted income from operations increased 34% in 2012, as compared with 2011 reflecting:

strong earnings contributions from the government segment, primarily attributable to the acquired HealthSpring business reflecting effective medical cost and pharmacy management programs;

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revenue growth in the U.S. commercial business, primarily due to a higher ASO customer base resulting in higher fees, as well as additional sales of stop loss and specialty products;

growth in the international health care business; and

increased specialty margins including behavioral and pharmacy products.

These favorable impacts were partially offset by:

higher operating expenses, primarily attributable to investments in technology and initiatives to expand business capabilities as well as to support business growth; and

modestly higher medical care ratios in our commercial risk businesses due to slightly higher utilization.

The Global Health Care segment's adjusted income from operations increased 17% in 2011, as compared with 2010 reflecting:

growth in premiums and fees of 9% in 2011 (excluding the impact of exiting the Medicare IPFFS business), primarily due to higher average membership in the guaranteed cost and ASO commercial businesses, particularly in the targeted market segments: Middle, Select and Individual;

strong revenue growth in the international health care business;

growth in specialty revenues, as well as rate increases on most products consistent with underlying trend;

a lower guaranteed cost medical care ratio and higher experience-rated margins in the commercial business driven by low medical services utilization trend, as well as favorable prior year claim development. These favorable effects were partially offset by the estimated cost of premium rebates calculated under the minimum medical loss ratio requirements of Health Care Reform; and

higher net investment income of 14% in 2011, primarily reflecting increased average asset levels driven by membership growth, as well as higher income from partnership investments.

Revenues

The table below shows premiums and fees for the Global Health Care segment:

(In millions)	**2012**	**2011**	**2010**
Medical:			
Guaranteed cost [(1)]	$ 4,256	$ 4,176	$ 3,929
Experience-rated [(2)]	2,022	1,934	1,823
Stop loss	1,672	1,451	1,287
International health care	1,648	1,344	976
Dental	1,005	894	804
Medicare	4,969	489	1,470
Medicaid	207	-	-
Medicare Part D	1,421	685	615
Other	677	600	543
Total medical	17,877	11,573	11,447
Fees [(3)]	3,096	2,870	2,687
TOTAL PREMIUMS AND FEES	**20,973**	**14,443**	**14,134**
Less: Medicare IPFFS	-	-	827
Premiums and fees, excluding Medicare IPFFS	$ 20,973	$ 14,443	$ 13,307

(1) *Excludes international health care guaranteed cost premiums.*

(2) *Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also, includes certain non-participating cases for which special customer level reporting of experience is required.*

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(3) *Includes fees related to the U.S. and international health care businesses. Fees related to Medicare Part D of $61 million in 2011 and $57 million in 2010 have been reclassified to premiums to conform to current presentation.*

Premiums and fees increased 45% in 2012, compared with 2011, primarily reflecting growth in the government segment due to the acquisition of HealthSpring. Revenue growth in the U.S. commercial business was driven by rate increases on most products consistent with underlying cost trends and a higher ASO customer base, resulting in higher fees, stop loss revenues and specialty product penetration. In addition, revenue in the international health care business increased primarily due to the conversion of the Vanbreda business from service to insurance contracts and, to a lesser extent, other business growth.

Premiums and fees increased 2% in 2011 compared with 2010. Excluding the impact of exiting the Medicare IPFFS business, premiums and fees rose 9% in 2011, compared with 2010, due primarily to higher revenues in the international health care and U.S. commercial businesses. International health care revenues increased due to business growth and the acquisition of Vanbreda. In the U.S. commercial business, the increase in revenues was attributable primarily to membership growth in the ASO business and higher average membership in guaranteed cost, driven by strong retention and sales in targeted market segments. Rate increases on most products consistent with underlying cost trends and higher

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penetration of specialty products also contributed to the increase in revenues for the U.S. commercial business.

These increases in premiums and fees in 2012 and 2011 reflect the Company's sustained success in delivering differentiated value to its customers with a focus on providing cost-effective products and services that expand access and provide superior clinical outcomes.

Net investment income decreased 2% in 2012 compared with 2011 reflecting lower yields, partially offset by the impact of the HealthSpring acquisition and higher income from partnership investments. Net investment income increased 14% in 2011 compared with 2010 benefiting from increased average asset levels driven by membership growth and higher income from partnership investments.

Other revenues for the Global Health Care segment consist primarily of revenues earned on direct channel sales of certain specialty products, including behavioral health and disease management, as well as revenues for management services provided to independent physician associations and health plans. Other revenues decreased 5% in 2012 compared with 2011, driven primarily by the divestiture of Cigna Government Services in the second quarter of 2011, partially offset by revenue contributions from HealthSpring.

Other revenues decreased 12% in 2011 compared with 2010 mostly due to the sale of the Cigna Government Services business in the second quarter of 2011, as well as declines in certain stand-alone medical cost management business.

Benefits and Expenses

Health Care segment benefits and expenses consist of the following:

(In millions)	**2012**	**2011**	**2010**
Medical claims expense – excluding Medicare IPFFS	$ 14,235	$ 9,144	$ 8,450
Medical claims expense – Medicare IPFFS	(7)	(19)	772
Medical claims expense	14,228	9,125	9,222
Mail order pharmacy cost of goods sold	1,328	1,203	1,169
Other operating expenses, excluding Medicare IPFFS and special items	5,217	4,340	4,120
Other operating expenses, Medicare IPFFS	-	-	82
Other operating expenses, excluding special items	5,217	4,340	4,202
Special items	96	-	-
Total other operating expenses	5,313	4,340	4,202
TOTAL BENEFITS AND EXPENSES	**$ 20,869**	**$ 14,668**	**$ 14,593**
Selected ratios			
Guaranteed cost medical care ratio	80.2%	79.7%	80.1%
Medicare Advantage medical care ratio (excluding IPFFS)	80.9%	89.6%	90.9%
Medicare Part D medical care ratio	81.2%	83.4%	84.2%
Operating expense ratio – including special items and Medicare IPFFS	23.0%	26.5%	26.2%
Operating expense ratio – excluding special items and Medicare IPFFS	22.6%	26.5%	27.1%

Medical claims expense increased 56% in 2012 compared with 2011, primarily reflecting growth in the government segment due to the acquisition of HealthSpring, growth in the international health care business driven by the conversion of Vanbreda business from service to insurance contracts, and medical cost inflation. The guaranteed cost medical care ratio is modestly higher in 2012 compared with 2011, due to slightly higher utilization. The Medicare Advantage and Medicare Part D medical care ratios were lower in 2012 compared with 2011, driven by the acquisition of HealthSpring.

Medical claims expense decreased 1% in 2011 compared with 2010. Excluding the impact of Medicare IPFFS business, medical claims expenses increased 8% in 2011 compared with 2010, largely due to the acquisition of Vanbreda in the international health care business, as well as medical cost inflation, tempered by low medical services utilization trend in commercial risk businesses.

Operating expenses (including special items) increased by 22% in 2012 compared with 2011. Excluding special items, operating expenses increased by 20% in 2012 compared with 2011, primarily due to the acquisition of HealthSpring, investments in technology, business initiatives, and customer-driven volume growth, partially offset by the divestiture of Cigna Government Services in the second

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quarter of 2011 and expense management actions taken in 2012. Operating expenses increased 3% in 2011 compared with 2010. Excluding the impact of the Medicare IPFFS business, operating expenses increased 5% primarily due to business growth, strategic investments including brand strategy and Individual segment expansion, partially offset by the impact of exiting the Medicare IPFFS business and divestiture of Cigna Government Services.

One measure of the segment's overall operating efficiency is the operating expense ratio calculated as total other operating expenses divided by segment revenues. The table above shows the operating expense ratios for the Global Health Care Segment.

The operating expense ratios decreased for 2012 compared with 2011, primarily driven by the acquisition of HealthSpring, as well as organic revenue growth and operating expense efficiencies achieved through expense management actions taken in 2012, partially offset by higher investments in technology and business initiatives. The HealthSpring acquired business largely reflects fully insured, premium-based products with substantially lower operating expense ratios than the Company's commercial businesses. The Company's commercial businesses are heavily weighted to ASO fee-based products that have relatively higher operating expense ratios.

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The operating expense ratio increased from 2010 to 2011 primarily driven by a change in business mix resulting from the Company's decision to exit the non-strategic Medicare IPFFS business that was a fully-insured business. Excluding the impact of the Medicare IPFFS business, the operating expense ratio improved for 2011 compared with 2010 driven largely by continued focus on expense management.

Other Items Affecting Global Health Care Results

Global Health Care Medical Claims Payable

Medical claims payable increased 42% in 2012 compared with 2011, primarily reflecting the acquisition of HealthSpring. Medical claims payable decreased by 7% in 2011 compared with 2010, primarily reflecting the run-out of the Medicare IPFFS business that the Company exited in 2011.

Medical Customers

A medical customer is defined as a person meeting any one of the following criteria:

- is covered under an insurance policy or service agreement issued by the Company;
- has access to the Company's provider network for covered services under their medical plan; or
- has medical claims that are administered by the Company.

As of December 31, estimated medical customers were as follows:

(In thousands)	**2012**	**2011**	**2010**
Commercial Risk:			
U.S. Guaranteed cost [1]	1,135	1,091	1,177
U.S. Experience-rated [2]	786	798	849
International health care - Risk	744	582	480
Total commercial risk	2,665	2,471	2,506
Medicare	426	44	145
Medicaid	23	-	-
Total government	449	44	145
Total risk	3,114	2,515	2,651
Service, including international health care	10,931	10,165	9,822
TOTAL MEDICAL CUSTOMERS	**14,045**	**12,680**	**12,473**

(1) *Excludes customers from the international health care business.*

(2) *Includes minimum premium customers, who have a risk profile similar to experience-rated members. Also, includes certain non-participating cases for which special customer level reporting of experience is required. Excludes international health care business.*

The Company's overall medical customer base as of December 31, 2012 increased 11% when compared with December 31, 2011, primarily reflecting ASO customer growth driven by strong retention and sales in targeted market segments, increases in the government segment, primarily reflecting the impact of the acquisition of HealthSpring as well as growth in the international health care business. The increase in the international health care risk customers in 2012 also reflects the conversion of the Vanbreda business from service to insurance contracts. The Global Health Care segment's overall medical customers as of December 31, 2011 increased 2% when compared with December 31, 2010, primarily reflecting new business sales and growth in ASO in the targeted Middle and Select market segments, growth in the Individual market segment that is sold under the guaranteed cost funding arrangement, as well as growth in the international health care business.

Medicare Advantage Reimbursement Rates for 2014

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On February 15, 2013, CMS issued its Advance Notice of Methodological Changes for Calendar Year (CY) 2014 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies (the "Notice"). CMS is accepting comments on the Notice, and final terms are expected to be published on April 1, 2013. While management believes that a significant number of comments from interested parties (including Cigna) will be provided to CMS, there can be no assurance that CMS will amend its current position. Given the uncertainty regarding the final terms of the Notice, the Company cannot estimate the impact that it will have on its business, revenues or results of operations but recognizes that any impacts could be materially adverse. Accordingly, the Company is currently evaluating the potential implications of the Notice, including adjustments that the Company may make to the programs and services it offers to offset any adverse impacts.

Group Disability and Life">

Group Disability and Life Segment

Segment Description

As explained in the Introduction section of this MD&A and in Note 23 to the Consolidated Financial Statements, effective December 31, 2012, the Company changed its external reporting segments. The Group Disability and Life segment includes group disability, life, accident and specialty insurance, including certain disability and life insurance business previously reported in the former Health Care segment. Prior year information has been conformed to the new segment structure.

Key factors for this segment are:

- premium growth, including new business and customer retention;
- net investment income;
- benefits expense as a percentage of earned premium (loss ratio); and
- other operating expense as a percentage of earned premiums and fees (expense ratio).

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Results of Operations

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 3,109	$2,857	$2,770
Net investment income	300	291	287
Other revenues	-	-	123
Segment revenues	3,409	3,148	3,180
Benefits and expenses	3,014	2,740	2,748
Income before taxes	395	408	432
Income taxes	116	113	127
SEGMENT EARNINGS	**279**	**295**	**305**
Less: special items (after-tax) included in segment earnings:			
Charge for realignment and efficiency plan (See Note 6 to the Consolidated Financial Statements)	(2)	-	-
Completion of IRS examination (See Note 20 to the Consolidated Financial Statements)	-	5	-
ADJUSTED INCOME FROM OPERATIONS	**$ 281**	**$ 290**	**$ 305**
Realized investment gains, net of taxes	$ 18	$ 7	$ 13

Segment earnings for 2012 decreased 5% compared with 2011 reflecting lower adjusted income from operations, a special item for a realignment and efficiency plan charge in 2012 as well as the absence of the 2011 special item related to completing the 2007 and 2008 IRS examination. Segment adjusted income from operations decreased 3%, primarily attributable to a higher disability loss ratio and higher expense ratio, partially offset by a lower life loss ratio (see Benefits and Expenses below) and higher net investment income. Results in 2012 include the $43 million after-tax favorable impact of reserve studies. Results in 2011 include the $39 million after-tax favorable impact of reserve studies offset by a $7 million after-tax litigation accrual.

Segment earnings decreased 3% in 2011 compared with 2010 reflecting 5% lower adjusted income from operations offset by a $5 million favorable special item related to completing the 2007 and 2008 IRS examinations. Adjusted income from operations decreased as a result of:

- the absence of the $11 million after-tax gain on the sale of the workers' compensation and case management business in 2010;
- a higher disability loss ratio;
- a higher expense ratio: and
- an after-tax charge of $7 million for litigation matters.

Offsetting these factors were more favorable life and accident claims experience and higher net investment income driven largely by higher invested assets and partnership income.

Revenues

Premiums and fees increased 9% in 2012 compared with 2011 reflecting strong disability and life new sales, in-force growth and continued strong persistency.

Premiums and fees increased 3% in 2011 compared with 2010 reflecting disability and life sales growth and continued solid persistency partially offset by the impact of the Company's exit from a large, low-margin assumed government life insurance program. Excluding the impact of this item, premiums and fees increased 6%. Disability premiums and fees grew by 9%.

Net investment income increased 3% in 2012 compared with 2011 due to higher assets and higher partnership investment income, partially offset by lower yields. Net investment income increased 1% in 2011 compared with 2010 due to higher average assets reflecting business growth and higher prepayment fees partially offset by lower yields.

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Other revenues. The absence of other revenues in 2012 and 2011 reflects the sale of the workers' compensation and case management business that was completed during the fourth quarter of 2010. Other revenues in 2010 include the $18 million pre-tax gain on the sale of the workers' compensation and case management business.

Benefits and Expenses

Benefits and expenses increased 10% in 2012 compared with 2011 as a result of premium growth in the disability and life business, a higher loss ratio in the disability business and a higher operating expense ratio, partially offset by a lower loss ratio in the life business. The higher disability loss ratio reflects less favorable claim experience primarily as a result of higher new claims. The higher operating expense ratio is driven by higher commissions and strategic information technology and claim office investments. The lower life loss ratio primarily reflects lower new claims. Benefits and expenses include the favorable impact of reserve studies of $60 million in 2012 as compared with the $59 million favorable impact of reserve studies offset by a $10 million litigation accrual in 2011.

Benefits and expenses were essentially flat in 2011 as compared with 2010 reflecting disability and life business growth, less favorable disability claims experience and a higher operating expense ratio, largely offset by the absence of operating expenses associated with the workers' compensation and case management business that was sold in 2010 and favorable life and accident claims experience. The disability claims experience reflects higher incidence rates, mitigated in part by higher resolution rates reflecting the sustained strong performance of the Company's disability claims management process.

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The higher operating expense ratio is driven by strategic investments. Benefits and expenses include the favorable before tax impact of reserve studies of $59 million in 2011 as compared with $55 million in 2010. Global Supplemental Benefits">

Global Supplemental Benefits Segment

Segment Description

As explained in the Introduction section of this MD&A and Note 23 to the Consolidated Financial Statements, effective December 31, 2012, the Company changed its external reporting segments. Prior year information has been conformed to the new segment structure.

The Global Supplemental segment includes supplemental health, life and accident insurance products offered in the U.S. and foreign markets, primarily in Asia as well as Medicare supplemental coverage following the 2012 acquisition of Great American Supplemental Benefits.

The key factors for this segment are:

- premium growth, including new business and customer retention;
- benefits expense as a percentage of earned premium (loss ratio);
- operating expense as a percentage of earned premium (expense ratio); and
- impact of foreign currency movements.

Throughout this discussion, the impact of foreign currency movements was calculated by comparing the reported results to what the results would have been had the exchange rates remained constant with the prior year's comparable period exchange rates.

Results of Operations

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 1,984	$1,528	$1,231
Net investment income	90	83	69
Other revenues	21	15	22
Segment revenues	2,095	1,626	1,322
Benefits and expenses	1,916	1,492	1,192
Income before taxes	179	134	130
Income taxes	36	36	42
Income attributable to redeemable noncontrolling interest	1	-	-
Income attributable to other noncontrolling interest	-	1	4
SEGMENT EARNINGS	**142**	**97**	**84**
Less: special items (after-tax) included in segment earnings:			
Charge for realignment and efficiency plan (See Note 6 to the Consolidated Financial Statements)	(6)	-	-
Costs associated with the acquisition of FirstAssist	-	(3)	-
ADJUSTED INCOME FROM OPERATIONS	**$ 148**	**$ 100**	**$ 84**
Impact of foreign currency movements using 2011 rates	$ (2)		
Impact of foreign currency movements using 2010 rates		$ 4	
Realized investment gains, net of taxes	$ 1	$ 1	$ 2

Global Supplemental Benefits segment earnings increased 46% in 2012 compared to 2011. Segment earnings for 2012 include an after-tax charge of $6 million associated with the realignment and efficiency plan, and an $8 million favorable adjustment related to the first quarter 2012 expansion of a capital management strategy to permanently invest the earnings of its China and Indonesia operations overseas (see further discussion in the Liquidity and Capital Resources section of the MD&A). Excluding these adjustments and the unfavorable impact of foreign currency movements (presented in the table above) adjusted income from operations increased 42% for

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the 2012 compared with 2011. These increases were primarily driven by the strong revenue growth, primarily in South Korea and, to a lesser extent, margin improvement largely attributable to disciplined management of solicitation spending. Excluding the first quarter 2012 implementation effect of the capital management strategy, the Global Supplemental Benefits segment's effective tax rate for the full year 2012 was 24.6%, compared with 27.3% for 2011.

Global Supplemental Benefits segment earnings increased 15% in 2011 compared with 2010. Segment earnings for 2010 include a $10 million unfavorable tax adjustment related to the first quarter 2010 expansion of a capital management strategy to permanently invest the earnings of its Hong Kong operations overseas (see further discussion in the Liquidity and Capital Resources section of the MD&A). Excluding the impact of this tax adjustment and foreign currency movements (presented in the table above), the Global

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Supplemental Benefits segment's adjusted income from operations increased 2% in 2011 compared with 2010. The increases in both segment earnings and adjusted income from operations were primarily due to revenue growth and higher persistency, particularly in South Korea, and higher net investment income, substantially offset by higher policy acquisition costs and expense ratios, as well as, by a higher effective tax rate primarily due to unfavorable changes in foreign tax law.

The unfavorable impacts of foreign currency movements in 2012 using 2011 rates, as well as the favorable impacts in 2011 using 2010 rates, primarily reflects the movement between the U.S. dollar and the South Korean won.

Revenues

Premiums and fees. Excluding the effect of foreign currency movements, premiums and fees increased by 32% in 2012, compared with 2011. These increases are primarily attributable to the higher revenue associated with the acquisitions of FirstAssist and Great American Supplemental Benefits (the acquisitions), strong persistency, and new sales growth, particularly in South Korea.

Excluding the effect of foreign currency movements, premiums and fees were $1.5 billion in 2011 compared with reported premiums and fees of $1.2 billion in 2010, an increase of 19%. The increase is primarily attributable to new sales growth, particularly in South Korea and Taiwan.

Net investment income increased by 8% in 2012, compared with 2011, and 20% in 2011, compared with 2010. These increases were primarily due to asset growth in South Korea.

Benefits and Expenses

Excluding the impact of foreign currency movements, benefits and expenses were $1.9 billion in 2012, compared to reported benefits and expenses of $1.5 billion in 2011, an increase of 30%. These increases were primarily due to the acquisitions and business growth.

Excluding the impact of foreign currency movements, benefits and expenses were $1.4 billion in 2011, compared with reported benefits and expenses of $1.2 billion in 2010, an increase of 20%. The increase was primarily due to business growth.

Loss ratios increased slightly in 2012, reflecting the inherently higher loss ratios of the acquisitions. Loss ratios were flat in 2011 compared with 2010.

Policy acquisition expenses increased in 2012 compared with 2011 reflecting the acquisitions and business growth, partially offset by lower acquisition costs in Europe reflecting a decision to cease selling activities in certain markets. Policy acquisition expenses increased in 2011 compared with 2010 reflecting business growth and foreign currency movements.

Excluding the special items (presented in the table above), expense ratios increased for 2012 compared to 2011. This increase was primarily driven by the impact of the higher expense ratios associated with FirstAssist. Excluding the special items (presented in the table above), expense ratios increased in 2011 compared with 2010, primarily due to strategic investments for future growth and costs to streamline operations, partially offset by higher revenues in South Korea.

Other Items Affecting Global Supplemental Benefits Results

For the Company's Global Supplemental Benefits segment, South Korea is the single largest geographic market, generating 54% of the segment's revenues and 90% of earnings in 2012. Due to the concentration of business in South Korea, the Global Supplemental Benefits segment is exposed to potential losses resulting from economic, regulatory and geopolitical developments in that country, as well as foreign currency movements affecting the South Korean currency, that could have a significant impact on the segment's results and the Company's consolidated financial results.

Run-off Reinsurance">

Run-off Reinsurance Segment

Segment Description

The Company's reinsurance operations were discontinued and are now an inactive business in run-off mode since the sale of the U.S. individual life, group life and accidental death reinsurance business in 2000. In 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar

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Group Limited. This segment is predominantly comprised of guaranteed minimum death benefit ("GMDB", also known as "VADBe") and guaranteed minimum income benefit ("GMIB") products.

Effective February 4, 2013, the Company reinsured 100% of the Company's future exposures for the Run-off GMDB and GMIB businesses, net of retrocessional arrangements in place prior to February 4, 2013, up to a specified limit. See Note 25 to the Consolidated Financial Statements for additional information. The Company describes the assumptions used to develop the reserves for GMDB in Note 7 to the Consolidated Financial Statements and for the assets and liabilities associated with GMIB in Note 11 to the Consolidated Financial Statements.

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The Company excludes the results of the GMIB business from adjusted income from operations because the fair value of GMIB assets and liabilities must be recalculated each quarter using updated capital market assumptions. The resulting changes in fair value, that are reported in shareholders' net income, can be volatile and unpredictable.

Results of Operations

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 21	$ 24	$ 25
Net investment income	102	103	114
Other revenues	(119)	(4)	(158)
Segment revenues	4	123	(19)
Benefits and expenses	4	405	91
Loss before income tax benefits	-	(282)	(110)
Income tax benefits	-	(99)	(136)
SEGMENT EARNINGS (LOSS)	**-**	**(183)**	**26**
Less: special items (after-tax) included in segment earnings:			
Resolution of federal tax matters (See Note 20 to the Consolidated Financial Statements)	-	-	97
Loss on Reinsurance transaction (See Note 3 to the Consolidated Financial Statements)	-	-	(20)
Less: results of GMIB business	29	(135)	(24)
ADJUSTED LOSS FROM OPERATIONS	**$ (29)**	**$ (48)**	**$ (27)**
Realized investment gains, net of taxes	$ 1	$ 4	$ 5

Segment results improved in 2012 compared to 2011 due to significantly more favorable results for the GMIB business (presented in the table above) and lower reserve strengthening for GMDB.

Segment results in 2011 reflected higher losses for the GMIB and GMDB businesses compared to 2010 due to the significant declines in interest rates, periods of high volatility, and less favorable equity market conditions during 2011. In addition, segment results in 2010 reflect the favorable effect of resolving a federal tax matter.

See the Benefits and Expenses section for further discussion around the results of the GMIB and GMDB businesses.

Other Revenues

Other revenues consisted of gains and losses from futures and swap contracts used in the GMDB and GMIB equity and interest rate hedge programs. See Note 13 to the Consolidated Financial Statements for additional information. The components were as follows:

(In millions)	**2012**	**2011**	**2010**
GMDB - Equity Hedge Program	$ (110)	$ (45)	$ (157)
GMDB - Growth Interest Rate Hedge Program	5	31	-
GMIB - Equity Hedge Program	(16)	4	-
GMIB - Growth Interest Rate Hedge Program	2	6	-
Other	-	-	(1)
TOTAL OTHER REVENUES	**$ (119)**	**$ (4)**	**$ (158)**

The hedging programs generally produce losses when equity markets and interest rates are rising and gains when equity markets and interest rates are falling. Amounts reflecting related changes in liabilities for GMDB contracts were included in benefits and expenses consistent with GAAP when a premium deficiency exists, resulting in no effect on shareholders' net income (see below "Other Benefits

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and Expenses"). Changes in liabilities for GMIB contracts, including the portion covered by the hedges, are recorded in GMIB fair value (gain) loss. These hedging programs were discontinued after February 4, 2013 due to the reinsurance transaction discussed above.

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Benefits and Expenses

Benefits and expenses were comprised of the following:

(In millions)	2012	2011	2010
GMIB fair value (gain) loss	$ (41)	$ 234	$ 55
Other benefits and expenses	45	171	36
BENEFITS AND EXPENSES	**$ 4**	**$ 405**	**$ 91**

GMIB fair value (gain) loss. Under the GAAP guidance for fair value measurements, the Company's results of operations have been volatile because capital market assumptions needed to estimate the assets and liabilities for the GMIB business are based largely on market observable inputs at the close of each reporting period including interest rates (LIBOR swap curve) and market implied volatilities. See Note 11 to the Consolidated Financial Statements for additional information about assumptions and asset and liability balances related to GMIB and Note 13 for additional information regarding the hedge programs to hedge a portion of equity and interest rate risks in GMIB contracts.

GMIB fair value gains of $41 million for 2012, were primarily due to the effect of increases in underlying account values, updates in the claim exposure calculation, and a reduction in annuitization rates, partially offset by a reduction in lapse rates and general declines in interest rates.

GMIB fair value losses of $234 million for 2011, were primarily due to a decline in both the interest rate used for projecting claim exposure (7-year Treasury rates) and the rate used for projecting market returns and discounting (LIBOR swap curve).

GMIB fair value losses of $55 million for 2010, were primarily due to declining interest rates, partially offset by increases in underlying account values resulting from favorable equity and bond fund returns.

The GMIB liabilities and related assets are calculated using an internal model and assumptions from the viewpoint of a hypothetical market participant. Payments for GMIB claims are expected to occur over the next 15 to 20 years and will be based on actual values of the underlying mutual funds and the 7-year Treasury rate at the dates benefits are elected. As explained above, on February 4, 2013, the Company reinsured 100% of the future exposures under these GMIB contracts, net of retrocessional arrangements in place prior to February 4, 2013.

Other Benefits and Expenses are comprised of the following:

(In millions)	2012	2011	2010
Results of GMDB equity and growth interest rate hedging programs	$ (105)	$ (14)	$ (157)
GMDB reserve strengthening	43	70	52
Other GMDB, primarily accretion of discount	79	82	85
GMDB benefit expense (income)	17	138	(20)
Loss on reinsurance of workers' compensation and personal accident business	-	-	31
Other, including operating expenses	28	33	25
OTHER BENEFITS AND EXPENSES	**$ 45**	**$ 171**	**$ 36**

Other Benefits and Expenses

Capital market movements. Benefits expense related to capital market movements as represented by the results of the hedging programs decreased in 2012 compared with 2011 due to more favorable equity market performance. The increase in benefits expense in 2011 compared with 2010 was due to turbulent conditions in an overall declining equity market. As explained in Other revenues above, these changes do not affect shareholders' net income because they are offset by gains or losses on futures contracts used to hedge equity market and interest rate performance.

Reserve strengthening. The following highlights the impacts of GMDB reserve strengthening:

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The 2012 reserve strengthening was driven primarily by reductions to the lapse rate assumptions, an update to management's consideration of the anticipated impact of continued low short-term interest rates, and to a lesser extent, an increase to the volatility and correlation assumptions, partially offset by favorable equity market conditions.

The 2011 reserve strengthening was driven primarily by volatility-related impacts due to the turbulent equity market conditions, an update to management's consideration of the anticipated impact of the continued low level of short-term interest rates, and the adverse impacts of overall market declines, including an increase in the provision for future partial surrenders and declines in the value of contract holders' non-equity investments such as bond funds, neither of which are included in the hedge program.

The 2010 reserve strengthening was driven primarily by management's consideration of the anticipated impact of the continued low level of current short-term interest rates, and to a lesser extent, a reduction in assumed lapse rates for policies that have taken or are assumed to take significant partial withdrawals.

See Note 7 to the Consolidated Financial Statements for additional information about assumptions and reserve balances related to GMDB.

Other, including operating expenses. The decrease in 2012 compared with 2011 was due to the favorable impact of reserve studies and lower operating expenses. The increase in 2011 compared with 2010 was due to the reduced favorable impacts of reserve studies.

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Other Operations">

Other Operations Segment

Segment Description

Cigna's Other Operations segment includes the results of the following businesses:

- corporate-owned life insurance ("COLI");
- deferred gains recognized from the sale of the retirement benefits and individual life insurance and annuity businesses; and
- run-off settlement annuity business.

Results of Operations

Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Premiums and fees	$ 100	$ 114	$ 114
Net investment income	388	400	404
Other revenues	55	55	60
Segment revenues	543	569	578
Benefits and expenses	418	451	454
Income before taxes	125	118	124
Income taxes	43	29	39
SEGMENT EARNINGS	**82**	**89**	**85**
Completion of IRS examination (See Note 20 to the Consolidated Financial Statements)	-	4	-
ADJUSTED INCOME FROM OPERATIONS	**$ 82**	**$ 85**	**$ 85**
Realized investment gains, net of taxes	$ 2	$ 6	$ 5

Segment earnings decreased 8% in 2012 compared with 2011, primarily reflecting lower COLI interest margins and mortality gains and the continued decline in deferred gain amortization associated with the sold businesses.

Segment earnings increased in 2011 compared with 2010, reflecting a $4 million increase from completing the Company's 2007 and 2008 IRS examination during the first quarter of 2011.

Revenues

Premiums and fees reflect fees charged primarily on universal life insurance policies in the COLI business. Premiums and fees decreased 12% in 2012, compared with 2011 due to lower policyholder death benefit exposures.

Net investment income decreased 3% in 2012 compared with 2011, primarily reflecting lower average yields and decreased 1% in 2011 compared with 2010 due to lower portfolio yields partially offset by higher average invested assets.

Other revenues were flat in 2012 compared with 2011 and decreased 8% in 2011 compared with 2010 primarily due to lower deferred gain amortization related to the sold retirement benefits and individual life insurance and annuity businesses. 2012 results were partially offset by higher investment management fees.

Benefits and expenses decreased 7% in 2012 compared with 2011 primarily due to favorable COLI claims experience and lower policyholder death benefit coverage and the absence of a charge recorded in the first quarter of 2011 to reimburse the buyer of the retirement benefits business with a portion of the tax benefits resulting from the completion of the 2007 and 2008 IRS examination as required under a tax sharing agreement.

For more information regarding the sale of these businesses see Note 8 to the Consolidated Financial Statements.

Corporate">

Corporate

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Description

Corporate reflects amounts not allocated to operating segments, such as net interest expense (defined as interest on corporate debt less net investment income on investments not supporting segment operations), interest on uncertain tax positions, certain litigation matters, intersegment eliminations, compensation cost for stock options and certain corporate overhead expenses such as directors' expenses and pension expense related to the Company's frozen pension plans.

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Financial Summary *(In millions)*	**2012**	**2011**	**2010**
Segment loss	$ (329)	$(184)	$(211)
Less: special items (after-tax) included in segment loss:			
Cost associated with HealthSpring acquisition (See Note 3 to the Consolidated Financial Statements)	(33)	(28)	-
Resolution of Federal Tax Matter (See Note 20 to the Consolidated Financial Statements)	-	-	4
Loss on early extinguishment of debt (See Note 16 to the Consolidated Financial Statements)	-	-	(39)
Charges related to litigation matters (See Note 24 to the Consolidated Financial Statements)	(68)	-	-
Completion of IRS examination (See Note 20 to the Consolidated Financial Statements)	-	14	-
ADJUSTED LOSS FROM OPERATIONS	**$ (228)**	**$(170)**	**$(176)**

In 2012, segment loss for Corporate was significantly higher than in 2011, primarily reflecting:

- higher interest expense due to the $2.1 billion of long-term debt issued in the fourth quarter of 2011 to fund the HealthSpring acquisition;
- charges associated with litigation matters due primarily to recent developments. See Note 24 to the Consolidated Financial Statements for additional information;
- the absence of a tax benefit; and
- estimated penalties for terminating a service contract.

Corporate's segment loss was lower in 2011 compared with 2010 primarily reflecting a tax benefit from completing the IRS examination and absence of the 2010 loss on debt extinguishment, partially offset by costs associated with the HealthSpring acquisition, all of which were reported as special items.

Corporate's adjusted loss from operations was lower in 2011 compared with 2010 primarily reflecting decreased pension expense and lower tax adjustments related to postretirement benefits and compensation resulting from Health Care Reform. These factors were partially offset by increased net interest expense due to higher average borrowings outstanding in 2011.

Liquidity and Capital Resources">

Liquidity and Capital Resources

Financial Summary *(In millions)*	**2012**		**2011**		**2010**	
Short-term investments	$	154	$	225	$	174
Cash and cash equivalents	$	2,978	$	4,690	$	1,605
Short-term debt	$	201	$	104	$	552
Long-term debt	$	4,986	$	4,990	$	2,288
Shareholders' equity	$	9,769	$	7,994	$	6,356

Liquidity

The Company maintains liquidity at two levels: the subsidiary level and the parent company level.

Liquidity requirements at the subsidiary level generally consist of:

- claim and benefit payments to policyholders;
- operating expense requirements, primarily for employee compensation and benefits; and
- dividends and federal tax payments to the parent company.

The Company's subsidiaries normally meet their operating requirements by:

- maintaining appropriate levels of cash, cash equivalents and short-term investments;

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- using cash flows from operating activities;
- selling investments;
- matching investment durations to those estimated for the related insurance and contractholder liabilities; and
- borrowing from its parent company.

Liquidity requirements at the parent level generally consist of:

- debt service and dividend payments to shareholders;
- pension plan funding; and
- federal tax payments.

The parent normally meets its liquidity requirements by:

- maintaining appropriate levels of cash, cash equivalents and short-term investments;
- collecting dividends and federal tax payments from its subsidiaries;
- using proceeds from issuance of debt and equity securities; and
- borrowing from its subsidiaries.

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PART II

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Capital Resources

The Company's capital resources (primarily retained earnings and the proceeds from the issuance of debt and equity securities) provide protection for policyholders, furnish the financial strength to underwrite insurance risks and facilitate continued business growth. Management, guided by regulatory requirements and rating agency capital guidelines, determines the amount of capital resources that the Company maintains. Management allocates resources to new long-term business commitments when returns, considering the risks, look promising and when the resources available to support existing business are adequate.

The Company prioritizes its use of capital resources to:

- provide capital necessary to support growth and maintain or improve the financial strength ratings of its subsidiaries;
- consider acquisitions that are strategically and economically advantageous; and
- return capital to investors through share repurchase.

The availability of capital resources will be impacted by equity and credit market conditions. Extreme volatility in credit or equity market conditions may reduce the Company's ability to issue debt or equity securities.

Cash flows for the years ended December 31, were as follows:

(In millions)	2012		2011		2010	
Operating activities	$	2,350	$	1,491	$	1,743
Investing activities	$	(3,857)	$	(1,270)	$	(1,342)
Financing activities	$	(228)	$	2,867	$	274

Cash flows from operating activities consist of cash receipts and disbursements for premiums and fees, mail order pharmacy and other revenues, gains (losses) recognized in connection with the Company's GMDB and GMIB equity hedge programs, investment income, taxes, and benefits and expenses. Because certain income and expense transactions do not generate cash, and because cash transactions related to revenues and expenses may occur in periods different from when those revenues and expenses are recognized in shareholders' net income, cash flows from operating activities can be significantly different from shareholders' net income.

Cash flows from investing activities generally consist of net investment purchases or sales and net purchases of property and equipment, that includes capitalized software, as well as cash used to acquire businesses.

Cash flows from financing activities are generally comprised of issuances and re-payment of debt at the parent company level, proceeds on the issuance of common stock resulting from stock option exercises, and stock repurchases. In addition, the subsidiaries report net deposits and withdrawals to or from investment contract liabilities (that include universal life insurance liabilities) because such liabilities are considered financing activities with policyholders.

2012:

Operating activities

Cash flows from operating activities increased by $859 million in 2012 compared with 2011, primarily the result of strong earnings growth in the ongoing business segments in 2012. In addition, 2011 operating cash flows were adversely affected by significant claim run-out from the Medicare IPFFS business that the Company exited in 2011.

Investing activities

Cash used in investing activities was $3.9 billion in 2012, $3.6 billion of which was for the acquisitions (net of cash acquired) of HealthSpring, Great American Supplemental Benefits, and the joint venture in Turkey. Cash used in investing activities also included net purchases of investments of $132 million and net purchases of property and equipment (primarily internal-use software) of $408 million.

Financing activities

Cash used in financing activities in 2012 primarily reflects the repayment of debt assumed in the HealthSpring acquisition of $326 million and the repurchase of common stock for $208 million. These effects were partially offset by the change in short-term debt of $98 million

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primarily from the issuance of commercial paper, proceeds from the issuance of common stock from employee benefit plans of $121 million and net deposits to contractholder deposit funds of $73 million.

Share Repurchase. The Company maintains a share repurchase program, that was authorized by its Board of Directors. The decision to repurchase shares depends on market conditions and alternate uses of capital. The Company has, and may continue from time to time, to repurchase shares on the open market through a Rule 10b5-1 plan that permits a company to repurchase its shares at times when it otherwise might be precluded from doing so under insider trading laws or because of self-imposed trading blackout periods. The Company suspends activity under this program from time to time and also removes such suspensions, generally without public announcement.

In 2012 the Company repurchased 4.4 million shares for $208 million. On February 27, 2013, the Company's Board of Directors increased share repurchase authority by $500 million. Accordingly, the total remaining share repurchase authorization as of February 28, 2013 was $815 million. In 2011 the Company

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repurchased 5.3 million shares for $225 million and 6.2 million shares for $201 million during 2010.

2011:

Operating activities

Cash flows from operating activities decreased by $252 million in 2011 compared with 2010. Excluding the results of the GMDB equity hedge program (that did not affect net income), cash flows from operating activities decreased by $364 million. This decrease in 2011 primarily reflects higher management compensation, income tax and pension payments in 2011 compared with 2010 and unfavorable operating cash flows in the Medicare IPFFS business in 2011 due to significant claim run-out compared to significant favorable operating cash flows from the growth of this business in 2010. Operating cash flows were favorably affected in 2010 because paid claims on this business growth lagged premium collections.

Investing activities

Cash used in investing activities was $1.3 billion. This use of cash primarily consisted of net purchases of investments of $746 million, cash used to fund acquisitions (net of cash acquired) of $114 million, and net purchases of property and equipment of $422 million.

Financing activities

Cash provided from financing activities primarily consisted of net proceeds from the issuance of long-term debt of $2.7 billion and proceeds on issuances of common stock of $734 million, primarily used to fund the acquisition of HealthSpring, Inc. See Notes 16 and 17 to the Consolidated Financial Statements for further information. Financing activities also included net deposits to contractholder deposit funds of $145 million. These inflows were partially offset by scheduled payments of debt of $451 million and common stock repurchases of $225 million.

Interest Expense

Interest expense on long-term debt, short-term debt and capital leases was as follows:

(In millions)	2012	2011	2010
Interest expense	$ 268	$ 202	$ 182

The increase in interest expense in 2012 was primarily due to the issuance of $2.1 billion of long-term debt in the fourth quarter of 2011 to fund the acquisition of HealthSpring, partially offset by a lower weighted average interest rate reflecting the more favorable rates of this debt issued. The weighted average interest rate for outstanding short-term debt (primarily commercial paper) was 0.47% at December 31, 2012 and 2011.

Liquidity and Capital Resources Outlook

At December 31, 2012, there was approximately $700 million in cash and short-term investments available at the parent company level. In 2013, the parent company's cash obligations are expected to consist of the following:

- scheduled interest payments of approximately $265 million on outstanding long-term debt of $5.0 billion at December 31, 2012;
- contributions to the domestic qualified pension plan of $250 million (most of which is voluntary); and
- repayment of $200 million of commercial paper outstanding as of December 31, 2012. The Company expects to have at least $200 million outstanding as of March 31, 2013.

In addition, the parent company will be required to fund a portion of the $2.2 billion reinsurance premium due to Berkshire. The premium will ultimately be paid to Berkshire in cash, that will be funded by the sale or internal transfer of investment assets supporting this business, tax benefits related to the transaction, and parent cash of $100 million.

The Company expects, based on its current cash position and current projections for subsidiary dividends, to have sufficient liquidity to meet the obligations discussed above.

However, the Company's cash projections may not be realized and the demand for funds could exceed available cash if:

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- ongoing businesses experience unexpected shortfalls in earnings;
- regulatory restrictions or rating agency capital guidelines reduce the amount of dividends available to be distributed to the parent company from the insurance and HMO subsidiaries (including the impact of equity market deterioration and volatility on subsidiary capital);
- significant disruption or volatility in the capital and credit markets reduces the Company's ability to raise capital; or
- a substantial increase in funding over current projections is required for the Company's pension plan.

In those cases, the Company expects to have the flexibility to satisfy liquidity needs through a variety of measures, including intercompany borrowings and sales of liquid investments. The parent company may borrow up to $750 million from its insurance subsidiaries without prior state approval. As of December 31, 2012, the parent company had no net intercompany loan balance with its insurance subsidiaries.

In addition, the Company may use short-term borrowings, such as the commercial paper program, the committed revolving credit and letter of credit agreement of up to $1.5 billion subject to the maximum debt leverage covenant in its line of credit agreement. As of December 31, 2012, the Company had $1.4 billion of borrowing capacity under the credit agreement, reflecting $66 million of letters of credit issued out of the credit facility. Within the maximum debt leverage covenant in

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the line of credit agreement, the Company has an additional $5.3 billion of borrowing capacity in addition to the $5.2 billion of debt outstanding.

The Company maintains a capital management strategy to permanently invest the earnings for certain of its foreign operations overseas. During the first quarter of 2012 the Company expanded this strategy to its China and Indonesia operations. As of December 31, 2012 the Company's cash and cash equivalents in its foreign operations were $768 million, and permanently reinvested earnings were approximately $628 million. Repatriation of foreign cash via a dividend of these permanently reinvested earnings would result in a charge for the incremental U.S. taxes due on the repatriation. Because of the size, strength and diversity of earnings from domestic sources, management does not believe this global capital management strategy materially limits the Company's ability to meet its liquidity and capital needs in the United States.

Though the Company believes it has adequate sources of liquidity, continued significant disruption or volatility in the capital and credit markets could affect the Company's ability to access those markets for additional borrowings or increase costs associated with borrowing funds.

Solvency regulation. Many states have adopted some form of the National Association of Insurance Commissioners ("NAIC") model solvency-related laws and risk-based capital rules ("RBC rules") for life and health insurance companies. The RBC rules recommend a minimum level of capital depending on the types and quality of investments held, the types of business written and the types of liabilities incurred. If the ratio of the insurer's adjusted surplus to its risk-based capital falls below statutory required minimums, the insurer could be subject to regulatory actions ranging from increased scrutiny to conservatorship.

In addition, various non-U.S. jurisdictions prescribe minimum surplus requirements that are based upon solvency, liquidity and reserve coverage measures. During 2012, the Company's HMOs and life and health insurance subsidiaries, as well as non-U.S. insurance subsidiaries, were compliant with applicable RBC and non-U.S. surplus rules.

Solvency II. Cigna's businesses in the European Union will be subject to the directive on insurance regulation and solvency requirements known as Solvency II. This directive will impose economic risk-based solvency requirements and supervisory rules and is expected to become effective in January 2014, although certain regulators are requiring companies to demonstrate technical capability and comply with increased capital levels in advance of the effective date. Cigna's European insurance companies are capitalized at levels consistent with projected Solvency II requirements and in compliance with anticipated technical capability requirements.

Guarantees and Contractual Obligations

The Company is contingently liable for various contractual obligations entered into in the ordinary course of business. The maturities of the Company's primary contractual cash obligations, as of December 31, 2012, are estimated to be as follows:

(In millions, on an undiscounted basis)	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
On-Balance Sheet:					
Insurance liabilities:					
Contractholder deposit funds	$ 7,104	$ 677	$ 938	$ 817	$ 4,672
Future policy benefits	11,489	486	1,153	1,083	8,767
Global Health Care medical claims payable	1,864	1,796	29	9	30
Unpaid claims and claims expenses	4,379	1,321	857	590	1,611
Short-term debt	200	200	-	-	-
Long-term debt	8,955	269	549	1,352	6,785
Other long-term liabilities	1,037	433	166	111	327
Off-Balance Sheet:					
Purchase obligations	871	393	289	120	69
Operating leases	570	116	190	108	156
TOTAL	**$ 36,469**	**$ 5,691**	**$ 4,171**	**$ 4,190**	**$ 22,417**

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As discussed further in Note 25 to the Consolidated Financial Statements, effective February 4, 2013, the Company entered into a reinsurance agreement for its GMDB and GMIB businesses. The reinsurance premium due to Berkshire of $2.2 billion is not included in the contractual obligations table presented above. In addition, the expected future cash flows for GMDB and GMIB contracts included in the table above do not consider this reinsurance arrangement.

On-Balance Sheet:

Insurance liabilities. Contractual cash obligations for insurance liabilities, excluding unearned premiums and fees, represent estimated net benefit payments for health, life and disability insurance policies and annuity contracts. Recorded contractholder deposit funds reflect current fund balances primarily from universal life customers. Contractual cash obligations for these universal life contracts are estimated by projecting future payments using assumptions for lapse, withdrawal and mortality. These projected future payments include estimated future interest crediting on

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current fund balances based on current investment yields less the estimated cost of insurance charges and mortality and administrative fees. Actual obligations in any single year will vary based on actual morbidity, mortality, lapse, withdrawal, investment and premium experience. The sum of the obligations presented above exceeds the corresponding insurance and contractholder liabilities of $18 billion recorded on the balance sheet because the recorded insurance liabilities reflect discounting for interest and the recorded contractholder liabilities exclude future interest crediting, charges and fees. The Company manages its investment portfolios to generate cash flows needed to satisfy contractual obligations. Any shortfall from expected investment yields could result in increases to recorded reserves and adversely impact results of operations. The amounts associated with the sold retirement benefits and individual life insurance and annuity businesses, as well as the reinsured workers' compensation, personal accident and supplemental benefits businesses, are excluded from the table above as net cash flows associated with them are not expected to impact the Company. The total amount of these reinsured reserves excluded is approximately $6 billion.

Short-term debt represents commercial paper, current maturities of long-term debt, and current obligations under capital leases.

Long-term debt includes scheduled interest payments. Capital leases are included in long-term debt and represent obligations for software licenses.

Other long-term liabilities. These items are presented in accounts payable, accrued expenses and other liabilities in the Company's Consolidated Balance Sheets. This table includes estimated payments for GMIB contracts, pension and other postretirement and postemployment benefit obligations, supplemental and deferred compensation plans, interest rate and foreign currency swap contracts, and certain tax and reinsurance liabilities.

Estimated payments of $75 million for deferred compensation, non-qualified and international pension plans and other postretirement and postemployment benefit plans are expected to be paid in less than one year. The Company's best estimate is that contributions to the qualified domestic pension plans during 2013 will be approximately $250 million. The Company expects to make payments subsequent to 2013 for these obligations, however subsequent payments have been excluded from the table as their timing is based on plan assumptions which may materially differ from actual activities (see Note 10 to the Consolidated Financial Statements for further information on pension and other postretirement benefit obligations).

The above table also does not contain $51 million of liabilities for uncertain tax positions because the Company cannot reasonably estimate the timing of their resolution with the respective taxing authorities. See Note 20 to the Consolidated Financial Statements for the year ended December 31, 2012 for further information.

Off-Balance Sheet:

Purchase obligations. As of December 31, 2012, purchase obligations consisted of estimated payments required under contractual arrangements for future services and investment commitments as follows:

(In millions)		
Fixed maturities	$	58
Commercial mortgage loans		6
Real estate		7
Limited liability entities (other long-term investments)		509
Total investment commitments		580
Future service commitments		291
TOTAL PURCHASE OBLIGATIONS	**$**	**871**

The Company had commitments to invest in limited liability entities that hold real estate, loans to real estate entities or securities. See Note 12(D) to the Consolidated Financial Statements for additional information.

Future service commitments include an agreement with IBM for various information technology (IT) infrastructure services. The Company's remaining commitment under this contract is approximately $15 million over the next year. The Company has the ability to terminate this agreement with 90 days notice, subject to termination fees.

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The Company's remaining estimated future service commitments primarily represent contracts for certain outsourced business processes and IT maintenance and support. The Company generally has the ability to terminate these agreements, but does not anticipate doing so at this time. Purchase obligations exclude contracts that are cancelable without penalty and those that do not specify minimum levels of goods or services to be purchased.

Operating leases. For additional information, see Note 22 to the Consolidated Financial Statements.

Guarantees

The Company, through its subsidiaries, is contingently liable for various financial and other guarantees provided in the ordinary course of business. See Note 24 to the Consolidated Financial Statements for additional information on guarantees.

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Investment Assets

The Company's investment assets do not include separate account assets. Additional information regarding the Company's investment assets and related accounting policies is included in Notes 2, 11, 12, 13, 14, 15 and 18 to the Consolidated Financial Statements.

Fixed Maturities

Investments in fixed maturities include publicly traded and privately placed debt securities, mortgage and other asset-backed securities, preferred stocks redeemable by the investor and hybrid and trading securities. The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. Internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

The Company is responsible for determining fair value, as well as the appropriate level within the fair value hierarchy as defined in Note 11 to the Consolidated Financial Statements, based on the significance of unobservable inputs. The Company reviews methodologies and processes of third-party pricing services and compares prices on a test basis to those obtained from other external pricing sources or internal estimates. The Company performs ongoing analyses of both prices received from third-party pricing services and those developed internally to determine that they represent appropriate estimates of fair value. These analyses include reviewing to ensure that prices do not become stale and whether changes from prior valuations are reasonable or require additional review. The Company also performs sample testing of sales values to confirm the accuracy of prior fair value estimates. Exceptions identified during these processes indicate that adjustments to prices are infrequent and do not significantly impact valuations.

The Company's fixed maturity portfolio continues to be diversified by issuer and industry type with the consumer sector representing the largest single industry concentration of approximately 10% of total invested assets as of December 31, 2012.

(In millions)	**2012**	**2011**
Federal government and agency	$ 902	$ 958
State and local government	2,437	2,456
Foreign government	1,322	1,274
Corporate	11,896	10,513
Federal agency mortgage-backed	122	9
Other mortgage-backed	89	80
Other asset-backed	937	927
TOTAL	**$ 17,705**	**$ 16,217**

As of December 31, 2012, $15.9 billion, or 90%, of the fixed maturities in the Company's investment portfolio were investment grade (Baa and above, or equivalent), and the remaining $1.8 billion were below investment grade. The majority of the bonds that are below investment grade are rated at the higher end of the non-investment grade spectrum. These quality characteristics have not materially changed during the year.

The net appreciation of the Company's fixed maturity portfolio increased $264 million during 2012, driven by a decrease in market yields. Although asset values are well in excess of amortized cost, there are specific securities with amortized cost in excess of fair value by approximately $30 million in aggregate as of December 31, 2012. See Note 12 to the Consolidated Financial Statements for further information.

Corporate fixed maturities includes private placement investments of $5.4 billion, which are generally less marketable than publicly-traded bonds, but yields on these investments tend to be higher than yields on publicly-traded bonds with comparable credit risk. The

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Company performs a credit analysis of each issuer, diversifies investments by industry and issuer and requires financial and other covenants that allow the Company to monitor issuers for deteriorating financial strength and pursue remedial actions, if warranted. Also included in corporate fixed maturities are investments in companies that are domiciled or have significant business interests in European countries with the most significant political or economic concerns (Portugal, Italy, Ireland, Greece and Spain). Fixed maturity investments in these companies represent approximately $400 million at December 31, 2012, have an average quality rating of BAA and are diversified by industry sector. Financial institutions comprised less than 2% of investments in these companies.

The Company invests in high quality foreign government obligations, with an average quality rating of AA as of December 31, 2012. These investments are primarily concentrated in Asia consistent with the geographic distribution of the international business operations, including government obligations of South Korea, Indonesia, Taiwan

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and Hong Kong. Foreign government obligations also include $167 million of investments in European sovereign debt, including $1 million in countries with the most significant political or economic concerns.

The Company's investment in state and local government securities is diversified by issuer and geography with no single exposure greater than $34 million. The Company assesses each issuer's credit quality based on a fundamental analysis of underlying financial information and does not rely solely on statistical rating organizations or monoline insurer guarantees. As of December 31, 2012, 97% of the Company's investments in these securities were rated A3 or better excluding guarantees by monoline bond insurers, consistent with December 31, 2011. As of December 31, 2012, approximately 63% or $1,538 million of the Company's total investments in state and local government securities were guaranteed by monoline bond insurers, providing additional credit quality support. The quality ratings of these investments with and without this guaranteed support as of December 31, 2012 were as follows:

		As of December 31, 2012	
		Fair Value	
(In millions)	Quality Rating	With Guarantee	Without Guarantee
State and local governments	Aaa	$ 131	$ 130
	Aa1-Aa3	1,108	1,037
	A1-A3	259	328
	Baa1-Baa3	40	20
	Ba1-Ba3	-	23
	Not available	-	-
TOTAL STATE AND LOCAL GOVERNMENTS		**$ 1,538**	**$ 1,538**

As of December 31, 2012, the Company's investments in other asset and mortgage-backed securities totaling $1,148 million included $508 million of private placement securities with an average quality rating of BAA- that are guaranteed by monoline bond insurers. Quality ratings without considering the guarantees for these other asset-backed securities were not available.

As of December 31, 2012, the Company had no direct investments in monoline bond insurers. Guarantees provided by various monoline bond insurers for certain of the Company's investments in state and local governments and other asset-backed securities as of December 31, 2012 were:

Guarantor	As of December 31, 2012
(In millions)	Indirect Exposure
National Public Finance Guarantee	$ 1,240
Assured Guaranty Municipal Corp	583
AMBAC	185
Financial Guaranty Insurance Co.	38
TOTAL	**$ 2,046**

Commercial Mortgage Loans

The Company's commercial mortgage loans are fixed rate loans, diversified by property type, location and borrower to reduce exposure to potential losses. Loans are secured by high quality commercial properties and are generally made at less than 75% of the property's value at origination of the loan. In addition to property value, debt service coverage, building tenancy and stability of cash flows are all important financial underwriting considerations. Property type, location, quality, and borrower are all important underwriting considerations as well. The Company holds no direct residential mortgage loans and generally does not securitize or service mortgage loans.

The Company completed its annual in depth review of its commercial mortgage loan portfolio during the second quarter of 2012. This review included an analysis of each property's year-end 2011 financial statements, rent rolls, operating plans and budgets for 2012, a

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physical inspection of the property and other pertinent factors. Based on property values and cash flows estimated as part of this review and subsequent portfolio activity, the overall health of the portfolio improved from the 2011 review, consistent with recovery in many commercial real estate markets. The portfolio's average loan-to-value improved to 65% at December 31, 2012, decreasing from 70% as of December 31, 2011, due primarily to increased valuations for the majority of the underlying properties. Valuation changes varied by property type as office properties and apartments demonstrated the strongest recovery, hotel and retail properties showed modest improvement while industrial properties exhibited a decline, indicative of a slower recovery for rental rates and demand. The portfolio's average debt service coverage ratio was estimated to be 1.56 at December 31, 2012, substantially higher than 1.40 as of December 31, 2011, including improvement across all property types.

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PART II

ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Commercial real estate capital markets remain most active for well leased, quality commercial real estate located in strong institutional investment markets. The vast majority of properties securing the mortgages in the Company's mortgage portfolio possess these characteristics. While commercial real estate fundamentals continued to improve, the improvement has varied across geographies and property types. A broad recovery is dependent on continued improvement in the national economy.

The following table reflects the commercial mortgage loan portfolio as of December 31, 2012, summarized by loan-to-value ratio based on the annual loan review completed during the second quarter of 2012.

LOAN-TO-VALUE DISTRIBUTION

	Amortized Cost			
Loan-to-Value Ratios	**Senior**	**Subordinated**	**Total**	**% of Mortgage Loans**
Below 50%	$ 293	$ 62	$ 355	12%
50% to 59%	795	-	795	28%
60% to 69%	679	24	703	25%
70% to 79%	475	14	489	17%
80% to 89%	267	27	294	10%
90% to 99%	102	-	102	4%
100% or above	113	-	113	4%
TOTALS	**$ 2,724**	**$ 127**	**$ 2,851**	**100%**

As summarized above, $127 million or 4% of the commercial mortgage loan portfolio is comprised of subordinated notes that were fully underwritten and originated by the Company using its standard underwriting procedures and are secured by first mortgage loans. Senior interests in these first mortgage loans were then sold to other institutional investors. This strategy allowed the Company to effectively utilize its origination capabilities to underwrite high quality loans, limit individual loan exposures, and achieve attractive risk adjusted yields. In the event of a default, the Company would pursue remedies up to and including foreclosure jointly with the holders of the senior interest, but would receive repayment only after satisfaction of the senior interest.

In the table above, there are two loans in the "100% or above" category with an aggregate carrying value of $47 million that exceed the value of their underlying properties by $5 million. Both of these loans have current debt service coverage of 1.0 or greater, along with significant borrower commitment.

The commercial mortgage portfolio contains approximately 140 loans. Four impaired loans with a carrying value of $125 million are classified as problem or potential problem loans, including two loans totaling $60 million that are current based on restructured terms and two loans totaling $65 million, net of reserves, that are current but full collection of principal is not expected. All of the remaining loans continue to perform under their contractual terms. The Company has $419 million of loans maturing in the next twelve months. Given the quality and diversity of the underlying real estate, positive debt service coverage and significant borrower cash investment averaging nearly 30%, the Company remains confident that the vast majority of borrowers will continue to perform as expected under the contract terms.

Other Long-term Investments

The Company's other long-term investments include $1,166 million in security partnership and real estate funds as well as direct investments in real estate joint ventures. The funds typically invest in mezzanine debt or equity of privately held companies (securities partnerships) and equity real estate. Given its subordinate position in the capital structure of these underlying entities, the Company assumes a higher level of risk for higher expected returns. To mitigate risk, investments are diversified across approximately 80 separate partnerships, and approximately 50 general partners who manage one or more of these partnerships. Also, the funds' underlying investments are diversified by industry sector or property type, and geographic region. No single partnership investment exceeds 7% of the Company's securities and real estate partnership portfolio.

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Although the total fair values of investments exceeded their carrying values as of December 31, 2012, the fair value of the Company's ownership interest in certain funds that are carried at cost was less than carrying value by $39 million. Fund investment values continued to improve, but remained at depressed levels reflecting the impact of declines in value experienced predominantly during 2008 and 2009 due to economic weakness and disruption in the capital markets, particularly in the commercial real estate market. The Company expects to recover its carrying value over the average remaining life of these investments of approximately 5 years. Given the current economic environment, future impairments are possible; however, management does not expect those losses to have a material effect on the Company's results of operations, financial condition or liquidity.

Problem and Potential Problem Investments

"Problem" bonds and commercial mortgage loans are either delinquent by 60 days or more or have been restructured as to terms, which could include concessions by the Company for modification of interest rate, principal payment or maturity date. "Potential problem" bonds and commercial mortgage loans are considered current (no payment more than 59 days past due), but management believes they have certain characteristics that increase the likelihood that they may become problems. The characteristics management considers include, but are not limited to, the following:

- request from the borrower for restructuring;
- principal or interest payments past due by more than 30 but fewer than 60 days;
- downgrade in credit rating;

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collateral losses on asset-backed securities; and

for commercial mortgages, deterioration of debt service coverage below 1.0 or value declines resulting in estimated loan-to-value ratios increasing to 100% or more.

The Company recognizes interest income on problem bonds and commercial mortgage loans only when payment is actually received because of the risk profile of the underlying investment. The amount that would have been reflected in net income if interest on non-accrual investments had been recognized in accordance with the original terms was not significant for 2012 or 2011.

The following table shows problem and potential problem investments at amortized cost, net of valuation reserves and write-downs:

	December 31, 2012			December 31, 2011		
(In millions)	**Gross**	**Reserve**	**Net**	**Gross**	**Reserve**	**Net**
Problem bonds	$ 35	$ (17)	$ 18	$ 40	$ (13)	$ 27
Problem commercial mortgage loans [1]	104	(16)	88	224	(19)	205
Foreclosed real estate	29	-	29	34	-	34
TOTAL PROBLEM INVESTMENTS	**$ 168**	**$ (33)**	**$ 135**	**$ 298**	**$ (32)**	**$ 266**
Potential problem bonds	$ 30	$ (9)	$ 21	$ 36	$ (10)	$ 26
Potential problem commercial mortgage loans	162	(7)	155	141	-	141
TOTAL POTENTIAL PROBLEM INVESTMENTS	**$ 192**	**$ (16)**	**$ 176**	**$ 177**	**$ (10)**	**$ 167**

(1) *At December 31, 2012, included $29 million and at December 31, 2011, included $10 million of restructured loans classified in Other long-term investments that were previously reported in commercial mortgage loans.*

Net problem investments represent less than 1% of total investments excluding policy loans at December 31, 2012. Net problem investments decreased by $131 million during 2012, primarily due to a substantial paydown on a prior period problem mortgage loan and the subsequent reclassification of the remaining balance of that loan to good standing based on the results of the annual loan review completed during the second quarter of 2012.

Net potential problem investments represent less than 1% of total investments excluding policy loans at December 31, 2012. Net potential problem investments increased by $9 million in 2012, primarily due to the addition of two mortgage loans.

Commercial mortgage loans are considered impaired when it is probable that the Company will not collect all amounts due according to the terms of the original loan agreement. In the above table, problem and potential problem commercial mortgage loans totaling $125 million (net of valuation reserves) at December 31, 2012, are considered impaired. During 2012, the Company recorded a $10 million pre-tax ($7 million after-tax) increase to valuation reserves on impaired commercial mortgage loans. See Note 12 to the Consolidated Financial Statements of this Form 10-K for additional information regarding impaired commercial mortgage loans.

Included in after-tax realized investment gains (losses) were changes in valuation reserves related to commercial mortgage loans and other-than-temporary impairments on fixed maturity securities as follows:

(In millions)	**2012**	**2011**
Credit-related [1]	$ (13)	$ (18)
Other	(1)	(16)
TOTAL	**$ (14)**	**$ (34)**

(1) *Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.*

Investment Outlook

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The financial markets continue to be impacted by economic uncertainty in the United States and Europe, however, asset values increased during 2012, reflecting a decrease in market yields. Future realized and unrealized investment results will be impacted largely by market conditions that exist when a transaction occurs or at the reporting date. These future conditions are not reasonably predictable. Management believes that the vast majority of the Company's fixed maturity investments will continue to perform under their contractual terms, and that declines in their fair values below carrying value are temporary. Based on the strategy to match the duration of invested assets to the duration of insurance and contractholder liabilities, the Company expects to hold a significant portion of these assets for the long term. Future credit-related losses are not expected to have a material adverse effect on the Company's financial condition or liquidity. While management believes the commercial mortgage loan portfolio is positioned to perform well due to its solid aggregate loan-to-value ratio, strong debt service coverage and minimal underwater positions, broad commercial real estate market fundamentals continue to be under stress reflecting a slow economic recovery. Should these conditions remain for an extended period or worsen substantially, it could result in an increase in problem and potential problem loans. Given the current economic environment, future impairments are possible; however, management does not expect those losses to have a material adverse effect on the Company's financial condition or liquidity.

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Market Risk

Financial Instruments

The Company's assets and liabilities include financial instruments subject to the risk of potential losses from adverse changes in market rates and prices. Subsequent to the reinsurance transaction entered into on February 4, 2013 as further discussed in Note 25 to the Consolidated Financial Statements, the Company's primary market risk exposures are:

Interest-rate risk on fixed-rate, medium-term instruments. Changes in market interest rates affect the value of instruments that promise a fixed return and the Company's employee pension liabilities.

Foreign currency exchange rate risk of the U.S. dollar primarily to the South Korean won, Euro, British pound, Taiwan dollar, and Turkish lira. An unfavorable change in exchange rates reduces the carrying value of net assets denominated in foreign currencies.

Equity price risk for domestic equity securities and the plan assets of the Company's employee pension plans.

The Company's Management of Market Risks

The Company predominantly relies on three techniques to manage its exposure to market risk:

Investment/liability matching. The Company generally selects investment assets with characteristics (such as duration, yield, currency and liquidity) that correspond to the underlying characteristics of its related insurance and contractholder liabilities so that the Company can match the investments to its obligations. Shorter-term investments support generally shorter-term life and health liabilities. Medium-term, fixed-rate investments support interest-sensitive and health liabilities. Longer-term investments generally support products with longer pay out periods such as annuities and long-term disability liabilities.

Use of local currencies for foreign operations. The Company generally conducts its international business through foreign operating entities that maintain assets and liabilities in local currencies. While this technique does not reduce the Company's foreign currency exposure of its net assets, it substantially limits exchange rate risk to those net assets.

Use of derivatives. The Company generally uses derivative financial instruments to minimize certain market risks.

See Notes 2(C) and 13 to the Consolidated Financial Statements for additional information about financial instruments, including derivative financial instruments.

Effect of Market Fluctuations on the Company

The examples that follow illustrate the adverse effect of hypothetical changes in market rates or prices on the fair value of certain financial instruments including:

a hypothetical increase in market interest rates, primarily for fixed maturities and commercial mortgage loans, partially offset by liabilities for long-term debt and, in 2011, GMIB contracts;

a hypothetical strengthening of the U.S. dollar to foreign currencies, primarily for the net assets of foreign subsidiaries denominated in a foreign currency; and

a hypothetical decrease in market prices for equity exposures, primarily for equity securities and, in 2011, GMIB contracts.

Management believes that actual results could differ materially from these examples because:

these examples were developed using estimates and assumptions;

changes in the fair values of all insurance-related assets and liabilities have been excluded because their primary risks are insurance rather than market risk;

changes in the fair values of investments recorded using the equity method of accounting and liabilities for pension and other postretirement and postemployment benefit plans (and related assets) have been excluded, consistent with the disclosure guidance; and

changes in the fair values of other significant assets and liabilities such as goodwill, deferred policy acquisition costs, taxes, and various accrued liabilities have been excluded; because they are not financial instruments, their primary risks are other than market risk.

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The effects of hypothetical changes in market rates or prices on the fair values of certain of the Company's financial instruments, subject to the exclusions noted above (particularly insurance liabilities), would have been as follows as of December 31(the effects of the GMIB business are presented as though the Company's 2013 reinsurance agreement was effective as of December 31, 2012):

	Loss in fair value	
Market scenario for certain non-insurance financial instruments ***(in millions)***	**2012**	**2011**
100 basis point increase in interest rates	$ 685	$ 575
10% strengthening in U.S. dollar to foreign currencies	$ 275	$ 220
10% decrease in market prices for equity exposures	$ 10	$ 30

The effect of a hypothetical increase in interest rates was determined by estimating the present value of future cash flows using various models, primarily duration modeling. The impact of a hypothetical increase to interest rates at December 31, 2012 was greater than that

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at December 31, 2011 reflecting the reinsurance of the remaining net GMIB liability in 2013.

The effect of a hypothetical strengthening of the U.S. dollar relative to the foreign currencies held by the Company was estimated to be 10% of the U.S. dollar equivalent fair value. The Company's foreign operations hold investment assets, such as fixed maturities, cash, and cash equivalents, that are generally invested in the currency of the related liabilities. Due to the increase in the fair value of these investments in 2012, that are primarily denominated in the South Korean won, the effect of a hypothetical 10% strengthening in U.S. dollar to foreign currencies at December 31, 2012 was greater than that effect at December 31, 2011.

In 2012, the primary effect of a hypothetical decrease in the market prices of equity exposures was a 10% decrease in the value of equity securities reported as investment assets because the equity exposures of the Company's GMIB contracts were significantly reduced by the 2013 reinsurance agreement.

In 2011, the effect of a hypothetical decrease in the market prices of equity exposures was estimated based on a 10% decrease in mutual fund values underlying GMIB contracts and the equity futures contracts used to partially hedge these GMIB equity exposures, as well as the value of equity securities held by the Company.

As noted above, the Company manages its exposures to market risk by matching investment characteristics to its obligations.

Cautionary Statement">

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

Cigna Corporation and its subsidiaries (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 investors. 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, the Company's strategic initiatives, litigation and other legal matters, operational improvement initiatives in the health care operations, and the outlook for the Company's full year 2013 and beyond 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.

By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Some factors that could cause actual results to differ materially from the forward-looking statements include:

1. health care reform legislation, as well as additional changes in state or federal regulation, that could, among other items, affect the way the Company does business, increase costs, limit the ability to effectively estimate, price for and manage medical costs, and affect the Company's products, services, market segments, technology and processes;

2. adverse changes in state, federal and international laws and regulations, including increased medical, administrative, technology or other costs resulting from new legislative and regulatory requirements imposed on the Company's businesses;

3. risks associated with pending and potential state and federal class action lawsuits, disputes regarding reinsurance arrangements, other litigation and regulatory actions challenging the Company's businesses, including disputes related to payments to health care professionals, government investigations and proceedings, tax audits and related litigation, and regulatory market conduct and other reviews, audits and investigations, including the possibility that the acquired HealthSpring business may be adversely affected by potential changes in risk adjustment data validation audit and payment adjustment methodology;

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4. challenges and risks associated with implementing improvement initiatives and strategic actions in the ongoing operations of the businesses, including those related to: (i) growth in targeted geographies, product lines, buying segments and distribution channels, (ii) offering products that meet emerging market needs, (iii) strengthening underwriting and pricing effectiveness, (iv) strengthening medical cost results and a growing medical customer base, (v) delivering quality service to members and health care professionals using effective technology solutions, and (vi) lowering administrative costs;

5. the unique political, legal, operational, regulatory and other challenges associated with expanding our business globally;

6. challenges and risks associated with the successful management of the Company's outsourcing projects or key vendors;

7. the ability of the Company to execute its growth plans by successfully leveraging capabilities and integrating acquired businesses, including the HealthSpring businesses by, among other things, operating Medicare Advantage plans and HealthSpring's prescription drug plan, retaining and growing the customer base, realizing revenue, expense and other synergies, renewing contracts on competitive terms or maintaining performance under Medicare contracts, successfully leveraging the information technology platform of the acquired businesses, and retaining key personnel;

8. risks associated with security or interruption of information systems, that could, among other things, cause operational disruption;

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9. risks associated with the Company's information technology strategy, including that the failure to make effective investments or execute improvements may impede the Company's ability to deliver services efficiently;

10. the failure to maintain effective prevention, detection and control systems for regulatory compliance and detection of fraud and abuse;

11. risks associated with the Company's mail order pharmacy business that, among other things, includes any potential operational deficiencies or service issues as well as loss or suspension of state pharmacy licenses;

12. liability associated with the Company's operations of onsite clinics and medical facilities, including the health care centers operated by the HealthSpring business;

13. heightened competition, particularly price competition, that could reduce product margins and constrain growth in the Company's businesses, primarily the Global Health Care business;

14. significant stock market declines, that could, among other things, impact the Company's pension plans in future periods as well as the recognition of additional pension obligations;

15. significant changes in market interest rates or sustained deterioration in the commercial real estate markets that could reduce the value of the Company's investment assets;

16. downgrades in the financial strength ratings of the Company's insurance subsidiaries, that could, among other things, adversely affect new sales and retention of current business or limit the subsidiaries' ability to dividend capital to the parent company, resulting in changes in statutory reserve or capital requirements or other financial constraints;

17. significant deterioration in global market economic conditions and market volatility, that could have an adverse effect on the Company's investments, liquidity and access to capital markets;

18. unfavorable developments in economic conditions, that could, among other things, have an adverse effect on the impact on the businesses of our customers (including the amount and type of health care services provided to their workforce, loss in workforce and ability to pay their obligations), the businesses of hospitals and other providers (including increased medical costs) or state and federal budgets for programs, such as Medicare or social security, resulting in a negative impact to the Company's revenues or results of operations;

19. risks associated with the Company's reinsurance arrangements for the run-off retirement benefits business, individual life insurance and annuity business, variable annuity death benefits and guaranteed minimum income benefits businesses, including but not limited to, failure by reinsurers to meet their reinsurance obligations or that the reinsurance arrangements do not otherwise provide adequate protection; or

20. potential public health epidemics, pandemics, natural disasters and bio-terrorist activity, that 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.

This list of important factors is not intended to be exhaustive. Other sections of the Form 10-K, including the "Risk Factors" section, and other documents filed with the Securities and Exchange Commission include both expanded discussion of these factors and additional

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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.

Management's Annual Report on Internal Control over Financial Reporting

Management of Cigna Corporation is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal controls were designed to provide reasonable assurance to the Company's management and Board of Directors that the Company's consolidated published financial statements for external purposes were prepared in accordance with generally accepted accounting principles. The Company's internal control over financial reporting include those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management assessed the effectiveness of the Company's internal controls over financial reporting as of December 31, 2012. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework.* Based on management's assessment and the criteria set forth by COSO, it was determined that the Company's internal controls over financial reporting are effective as of December 31, 2012.

Our evaluation of the effectiveness of internal control over financial reporting as of December 31, 2012 did not include an evaluation of the internal control over financial reporting of the Great American Supplemental Benefits Group. We excluded the Great American Supplemental Benefits Group from our assessment of internal control over financial reporting as of December 31, 2012 because it was

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acquired in a purchase business combination consummated on August 31, 2012. Great American Supplemental Benefits Group's total assets acquired represent approximately 2% of consolidated total assets as of December 31, 2012; total revenues acquired represent less than 1% of consolidated total revenues for the year ended December 31, 2012.

The Company's independent registered public accounting firm, PricewaterhouseCoopers, has audited the effectiveness of the Company's internal control over financial reporting, as stated in their report located on page 126 in this Form 10-K.

ITEM 7A Quantitative and Qualitative Disclosures About Market Risk

The information contained under the caption "Market Risk" in the MD&A section of this Form 10-K is incorporated by reference.

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ITEM 8 Financial Statements and Supplementary Data

Cigna Corporation
Consolidated Statements of Income

For the years ended December 31, *(In millions, except per share amounts)*	**2012**	**2011**	**2010**
Revenues			
Premiums and fees	$ 26,187	$ 18,966	$ 18,274
Net investment income	1,144	1,146	1,105
Mail order pharmacy revenues	1,623	1,447	1,420
Other revenues	121	244	254
Realized investment gains (losses):			
Other-than-temporary impairments on fixed maturities, net	(11)	(26)	(1)
Other realized investment gains	55	88	76
Total realized investment gains	44	62	75
TOTAL REVENUES	**29,119**	**21,865**	**21,128**
Benefits and Expenses			
Global Health Care medical claims expense	14,228	9,125	9,222
Other benefit expenses	3,672	3,365	3,011
Mail order pharmacy cost of goods sold	1,328	1,203	1,169
GMIB fair value (gain) loss	(41)	234	55
Other operating expenses	7,455	6,062	5,869
TOTAL BENEFITS AND EXPENSES	**26,642**	**19,989**	**19,326**
Income before Income Taxes	2,477	1,876	1,802
Income taxes:			
Current	719	398	331
Deferred	134	217	188
TOTAL TAXES	**853**	**615**	**519**
Net Income	1,624	1,261	1,283
Less: Net Income Attributable to Redeemable Noncontrolling Interest	**1**	–	–
Less: Net Income Attributable to Other Noncontrolling Interest	–	**1**	**4**
SHAREHOLDERS' NET INCOME	**$ 1,623**	**$ 1,260**	**$ 1,279**
Shareholders' Net Income Per Share:			
Basic	$ 5.70	$ 4.65	$ 4.69
Diluted	$ 5.61	$ 4.59	$ 4.65
Dividends Declared Per Share	$ 0.04	$ 0.04	$ 0.04

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

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Cigna Corporation
Consolidated Statements of Comprehensive Income

For the year ended December 31, *(In millions, except per share amounts)*	**2012**	**2011**	**2010**
Shareholders' net income	**$ 1,623**	**$ 1,260**	**$ 1,279**
Shareholders' other comprehensive income (loss):			
Net unrealized appreciation (depreciation) on securities:			
Fixed maturities	144	210	151
Equity securities	3	(2)	(1)
Net unrealized appreciation (depreciation) on securities	147	208	150
Net unrealized appreciation (depreciation), derivatives	(5)	1	6
Net translation of foreign currencies	66	(22)	33
Postretirement benefits liability adjustment	(92)	(360)	(189)
Shareholders' other comprehensive income (loss)	116	(173)	-
Shareholders' comprehensive income	1,739	1,087	1,279
Comprehensive income attributable to noncontrolling interest:			
Net income attributable to redeemable noncontrolling interest	1	-	-
Net income attributable to other noncontrolling interest	-	1	4
Other comprehensive income attributable to redeemable noncontrolling interest	2	-	-
Other comprehensive income attributable to other noncontrolling interest	-	-	2
TOTAL COMPREHENSIVE INCOME	**$ 1,742**	**$ 1,088**	**$ 1,285**

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PART II

ITEM 8 Financial Statements and Supplementary Data

Cigna Corporation
Consolidated Balance Sheets

As of December 31, *(In millions, except per share amounts)*	**2012**	**2011**
ASSETS		
Investments:		
Fixed maturities, at fair value (amortized cost, $15,481; $14,257)	$ 17,705	$ 16,217
Equity securities, at fair value (cost, $121; $124)	111	100
Commercial mortgage loans	2,851	3,301
Policy loans	1,501	1,502
Real estate	83	87
Other long-term investments	1,255	1,058
Short-term investments	154	225
Total investments	23,660	22,490
Cash and cash equivalents	2,978	4,690
Accrued investment income	258	252
Premiums, accounts and notes receivable, net	1,777	1,358
Reinsurance recoverables	6,256	6,256
Deferred policy acquisition costs	1,198	817
Property and equipment	1,120	1,024
Deferred income taxes, net	374	803
Goodwill	6,001	3,164
Other assets, including other intangibles	2,355	1,750
Separate account assets	7,757	8,093
TOTAL ASSETS	**$ 53,734**	**$ 50,697**
LIABILITIES		
Contractholder deposit funds	$ 8,508	$ 8,553
Future policy benefits	9,265	8,593
Unpaid claims and claim expenses	4,062	3,936
Global Health Care medical claims payable	1,856	1,305
Unearned premiums and fees	549	502
Total insurance and contractholder liabilities	24,240	22,889
Accounts payable, accrued expenses and other liabilities	6,667	6,627
Short-term debt	201	104
Long-term debt	4,986	4,990
Separate account liabilities	7,757	8,093
TOTAL LIABILITIES	**43,851**	**42,703**
Contingencies − Note 24		
Redeemable noncontrolling interest	114	-
SHAREHOLDERS' EQUITY		
Common stock (par value per share, $0.25; shares issued, 366; authorized, 600)	92	92
Additional paid-in capital	3,295	3,188

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Net unrealized appreciation, fixed maturities	$ 883		$ 739	
Net unrealized appreciation, equity securities	4		1	
Net unrealized depreciation, derivatives	(28)		(23)	
Net translation of foreign currencies	69		3	
Postretirement benefits liability adjustment	(1,599)		(1,507)	
Accumulated other comprehensive loss		(671)		(787)
Retained earnings		12,330		10,787
Less: treasury stock, at cost		(5,277)		(5,286)
TOTAL SHAREHOLDERS' EQUITY		**9,769**		**7,994**
Total liabilities and equity		$ 53,734		$ 50,697
SHAREHOLDERS' EQUITY PER SHARE		**$ 34.18**		**$ 28.00**

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

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Cigna Corporation
Statement of Changes in Total Equity

For the year ended December 31, *(In millions, except per share amounts)*	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Shareholders' Equity	Noncontrolling Interest	Total Equity	Redeemable Noncontrolling Interest
Balance at January 1, 2010, as previously reported	$ 88	$ 2,514	$ (618)	$ 8,625	$ (5,192)	$ 5,417	$ 12	$ 5,429	$ -
Cumulative effect of amended accounting guidance for deferred policy acquisition costs			4	(223)		(219)		(219)	
BALANCE AT JANUARY 1, 2010, as retrospectively adjusted	**88**	**2,514**	**(614)**	**8,402**	**(5,192)**	**5,198**	**12**	**5,210**	**-**
2010 Activity:									
Effect of issuing stock for employee benefit plans		20		(80)	151	91		91	
Other comprehensive income			-			-	2	2	
Net income				1,279		1,279	4	1,283	
Common dividends declared (per share: $0.04)				(11)		(11)		(11)	
Repurchase of common stock					(201)	(201)		(201)	
BALANCE AT DECEMBER 31, 2010	**88**	**2,534**	**(614)**	**9,590**	**(5,242)**	**6,356**	**18**	**6,374**	**-**
2011 Activity:									
Issuance of common stock	4	625				629		629	
Effect of issuing stock for employee benefit plans		27		(52)	181	156		156	
Effects of acquisition of noncontrolling interest		2				2	(19)	(17)	
Other comprehensive (loss)			(173)			(173)		(173)	
Net income				1,260		1,260	1	1,261	
Common dividends declared (per share: $0.04)				(11)		(11)		(11)	

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Repurchase of common stock					(225)	(225)		(225)	
BALANCE AT DECEMBER 31, 2011	**92**	**3,188**	**(787)**	**10,787**	**(5,286)**	**7,994**	**-**	**7,994**	**-**
2012 Activity:									
Effect of issuing stock for employee benefit plans		107		(69)	217	255		255	
Effects of acquisition of joint venture		-				-		-	111
Other comprehensive income			116			116		116	2
Net income				1,623		1,623		1,623	1
Common dividends declared (per share: $0.04)				(11)		(11)		(11)	
Repurchase of common stock					(208)	(208)		(208)	
BALANCE AT DECEMBER 31, 2012	**$ 92**	**$ 3,295**	**$ (671)**	**$ 12,330**	**$ (5,277)**	**$ 9,769**	**$ -**	**$ 9,769**	**$ 114**

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

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Cigna Corporation
Consolidated Statements of Cash Flows

For the years ended December 31, (In millions)	2012	2011	2010
Cash Flows from Operating Activities			
Net income	$ 1,624	$ 1,261	$ 1,283
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	560	345	292
Realized investment gains	(44)	(62)	(75)
Deferred income taxes	134	217	188
Gains on sales of businesses (excluding discontinued operations)	(18)	(25)	(13)
Net changes in assets and liabilities, net of non-operating effects:			
Premiums, accounts and notes receivable	(71)	(50)	62
Reinsurance recoverables	62	19	37
Deferred policy acquisition costs	(159)	(129)	(94)
Other assets	31	(307)	3
Insurance liabilities	245	154	325
Accounts payable, accrued expenses and other liabilities	(132)	344	(272)
Current income taxes	29	(246)	2
Proceeds from sales of mortgage loans held for sale	61	-	-
Other, net	28	(30)	5
NET CASH PROVIDED BY OPERATING ACTIVITIES	**2,350**	**1,491**	**1,743**
Cash Flows from Investing Activities			
Proceeds from investments sold:			
Fixed maturities	583	830	822
Equity securities	8	46	4
Commercial mortgage loans	380	253	63
Other (primarily short-term and other long-term investments)	831	1,915	1,102
Investment maturities and repayments:			
Fixed maturities	1,507	1,265	1,084
Commercial mortgage loans	342	385	70
Investments purchased:			
Fixed maturities	(2,326)	(2,877)	(2,587)
Equity securities	(8)	(20)	(12)
Commercial mortgage loans	(364)	(487)	(239)
Other (primarily short-term and other long-term investments)	(821)	(2,056)	(810)
Property and equipment purchases	(408)	(422)	(300)
Acquisitions and dispositions, net of cash acquired	(3,581)	(102)	(539)
NET CASH USED IN INVESTING ACTIVITIES	**(3,857)**	**(1,270)**	**(1,342)**
Cash Flows from Financing Activities			
Deposits and interest credited to contractholder deposit funds	1,337	1,323	1,295
Withdrawals and benefit payments from contractholder deposit funds	(1,264)	(1,178)	(1,205)
Change in cash overdraft position	25	(1)	59

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Net change in short-term debt	98	-	-
Net proceeds on issuance of long-term debt	-	2,676	543
Repayment of long-term debt	(326)	(451)	(270)
Repurchase of common stock	(208)	(225)	(201)
Issuance of common stock	121	734	64
Common dividends paid	(11)	(11)	(11)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES	**(228)**	**2,867**	**274**
Effect of foreign currency rate changes on cash and cash equivalents	23	(3)	6
Net increase (decrease) in cash and cash equivalents	(1,712)	3,085	681
Cash and cash equivalents, beginning of year	4,690	1,605	924
Cash and cash equivalents, end of year	$ 2,978	$ 4,690	$ 1,605
Supplemental Disclosure of Cash Information:			
Income taxes paid, net of refunds	$ 655	$ 633	$ 326
Interest paid	$ 248	$ 185	$ 180

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

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Notes to the Consolidated Financial Statements

NOTE 1 Description of Business

Cigna Corporation was incorporated in the State of Delaware in 1981. Various businesses that are described in this Annual Report on Form 10-K for the fiscal year ended December 31, 2012 ("Form 10-K") are conducted by its insurance and other subsidiaries. As used in this document, "Cigna", the "Company", "we" and "our" may refer to Cigna Corporation itself, one or more of its subsidiaries, or Cigna Corporation and its consolidated subsidiaries.

The Company is a global health services organization with a mission to help its customers improve their health, well-being and sense of security. Its insurance subsidiaries are major providers of medical, dental, disability, life and accident insurance and related products and services, the majority of which are offered through employers and other groups (e.g. governmental and non-governmental organizations, unions and associations). Cigna also offers Medicare and Medicaid products and health, life and accident insurance coverages primarily to individuals in the U.S. and selected international markets. In addition to its ongoing operations described above, Cigna also has certain run-off operations, including a Run-off Reinsurance segment.

NOTE 2 Summary of Significant Accounting Policies

A. Basis of Presentation

The Consolidated Financial Statements include the accounts of Cigna Corporation and its significant subsidiaries. Intercompany transactions and accounts have been eliminated in consolidation.

These Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Amounts recorded in the Consolidated Financial Statements necessarily reflect management's estimates and assumptions about medical costs, investment valuation, interest rates and other factors. Significant estimates are discussed throughout these Notes; however, actual results could differ from those estimates. The impact of a change in estimate is generally included in earnings in the period of adjustment.

In preparing these Consolidated Financial Statements, the Company has evaluated events that occurred between the balance sheet date and February 28, 2013.

Certain reclassifications have been made to prior year amounts to conform to the current presentation. In particular, as a result of the changes in segment reporting discussed further in Note 23, benefits expense amounts previously reported in Other Benefits Expense for the international health care business have been reclassified to Global Health Care Medical Claims Expense in the Consolidated Statements of Income. Similarly, insurance liabilities previously classified as Unpaid Claims for the international health care business have been reclassified to Global Health Care Medical Claims Payable in the Consolidated Balance Sheets.

Variable interest entities. As of December 31, 2012 and 2011 the Company determined it was not a primary beneficiary in any material variable interest entities.

B. Changes in Accounting Pronouncements

Fees Paid to the Federal Government by Health Insurers (Accounting Standards Update ("ASU") 2011-06). In 2011, the Financial Accounting Standards Board ("FASB") issued accounting guidance for a health insurance industry assessment (the "fee") mandated by the Patient Protection and Affordable Care Act of 2010 ("Health Care Reform"). This fee will be levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the U.S. health insurance industry total. In addition, because these fees will generally not be tax deductible, the Company's effective tax rate is expected to be adversely impacted in future periods. Under the guidance, the liability for the fee will be estimated and recorded in full each year beginning in 2014 when health insurance is first provided. A corresponding deferred cost will be recorded and amortized over the calendar year. The amount of these fees is expected to be material, although the Company is unable to estimate the impact of these fees on shareholders' net income and the effective tax rate because guidance from the federal department of Health and Human Services for these calculations has not been finalized.

Deferred acquisition costs. Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2010-26) on accounting for costs to acquire or renew insurance contracts. This guidance requires certain sales compensation and telemarketing costs related to unsuccessful efforts and any indirect costs to be expensed as incurred. The Company's deferred acquisition costs arise from sales and renewal activities primarily in its Global Supplemental Benefits segment. This amended guidance was implemented through

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retrospective adjustment of comparative prior periods. Summarized below are the effects of this amended guidance on previously reported amounts as of December 31, 2011 and for the years ended December 31, 2011 and 2010. Previously reported amounts presented below include certain immaterial reclassifications.

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PART II

ITEM 8 Financial Statements and Supplementary Data

Condensed Consolidated Statement of Income	**Year Ended December 31**					
	As previously reported		**Effect of amended accounting guidance**		**As retrospectively adjusted**	
(In millions)	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Revenues, excluding other revenues	$ 21,621	$ 20,874	$ -	$ -	$ 21,621	$ 20,874
Other revenues	254	260	(10)	(6)	244	254
TOTAL REVENUES	**21,875**	**21,134**	**(10)**	**(6)**	**21,865**	**21,128**
Benefits and expenses, excluding other operating expenses	13,927	13,457	-	-	13,927	13,457
Other operating expenses	5,980	5,807	82	62	6,062	5,869
TOTAL BENEFITS AND EXPENSES	**19,907**	**19,264**	**82**	**62**	**19,989**	**19,326**
Income before Income Taxes	1,968	1,870	(92)	(68)	1,876	1,802
Current income taxes	398	331	-	-	398	331
Deferred income taxes	242	190	(25)	(2)	217	188
TOTAL TAXES	**640**	**521**	**(25)**	**(2)**	**615**	**519**
Discontinued Operations	-	-	-	-	-	-
Net income	1,328	1,349	(67)	(66)	1,261	1,283
Less: Net income attributable to Noncontrolling Interest	1	4	-	-	1	4
SHAREHOLDERS' NET INCOME	**$ 1,327**	**$ 1,345**	**$ (67)**	**$ (66)**	**$ 1,260**	**$ 1,279**
Earnings per share:						
Basic	$ 4.90	$ 4.93	$ (0.25)	$ (0.24)	$ 4.65	$ 4.69
Diluted	$ 4.84	$ 4.89	$ (0.25)	$ (0.24)	$ 4.59	$ 4.65

Condensed Consolidated Balance Sheet	**As of December 31**		
	As previously reported	**Effect of amended accounting guidance**	**As retrospectively adjusted**
(In millions)	**2011**	**2011**	**2011**
Deferred policy acquisition costs	$ 1,312	$ (495)	$ 817
Deferred income taxes, net	632	171	803
Other assets, including other intangibles	1,776	(26)	1,750
All other assets	47,327	-	47,327
TOTAL ASSETS	**$ 51,047**	**$ (350)**	**$ 50,697**
Net translation of foreign currencies	$ (3)	$ 6	$ 3
Retained earnings	11,143	(356)	10,787
Other shareholders' equity	(2,796)	-	(2,796)
TOTAL SHAREHOLDERS' EQUITY	**$ 8,344**	**$ (350)**	**$ 7,994**

Presentation of Comprehensive Income. Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2011-05) that requires presenting net income and other comprehensive income in either a single continuous statement or in two separate, but

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consecutive statements. Neither measurement of comprehensive income nor disclosure requirements for reclassification adjustments between other comprehensive income and net income were affected by this amended guidance. The Company has elected to present a separate statement of comprehensive income following the statement of income and has retrospectively adjusted prior periods to conform to the new presentation, as required.

Amendments to Fair Value Measurement and Disclosure. Effective January 1, 2012, the Company adopted the FASB's amended guidance on fair value measurement and disclosure (ASU 2011-04) on a prospective basis. A key objective was to achieve common fair value measurement and disclosure requirements between U.S. GAAP and IFRS. The amended guidance changes certain fair value measurement principles and expands required disclosures to include quantitative and qualitative information about unobservable inputs in Level 3 measurements and leveling for financial instruments not carried at fair value in the financial statements. Upon adoption, there were no effects on the Company's fair value measurements. See Note 11 for expanded fair value disclosures.

Troubled debt restructurings. Effective July 1, 2011, the Company adopted the FASB's updated guidance (ASU 2011-02) to clarify for lenders that a troubled debt restructuring occurs when a debt modification is a concession to the borrower and the borrower is experiencing financial difficulties. This guidance was required to be applied retrospectively for restructurings occurring on or after January 1, 2011. The amendment also required new disclosures to be provided beginning in the third quarter of 2011 addressing certain troubled debt restructurings. Adoption of the new guidance did not have a material effect to the Company's results of operations or

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financial condition. See Note 12 for additional information related to commercial mortgage loans.

C. Investments

The Company's accounting policies for investment assets are discussed below:

Fixed maturities and equity securities. Most fixed maturities (including bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor) and some equity securities are classified as available for sale and are carried at fair value with changes in fair value recorded in accumulated other comprehensive income (loss) within shareholders' equity. The Company accounts for fixed maturities with fair value below amortized cost as follows:

The Company first assesses its intent to sell or whether it is more likely than not to be required to sell such fixed maturities before their fair values recover.

If either of those conditions is met, an impairment loss is recognized in net income for the excess of the amortized cost over fair value.

Even when there is no intent or requirement to sell the fixed maturity, if the Company determines that it does not expect to recover the amortized cost basis of fixed maturities the credit portion of the impairment loss is recognized in net income and the non-credit portion, if any, is recognized in accumulated other comprehensive income.

The credit portion is the difference between amortized cost and the net present value of its projected future cash flows. Projected future cash flows are based on qualitative and quantitative factors, including the probability of default, and the estimated timing and amount of recovery. For mortgage and asset-backed securities, estimated future cash flows are also based on assumptions about the collateral attributes including prepayment speeds, default rates and changes in value.

Fixed maturities and equity securities also include trading and certain hybrid securities that are carried at fair value with changes in fair value reported in realized investment gains and losses. The Company has irrevocably elected the fair value option for these securities to simplify accounting and mitigate volatility in results of operations and financial condition. Hybrid securities include certain preferred stock and debt securities with call or conversion options.

Commercial mortgage loans. Mortgage loans held by the Company are made exclusively to commercial borrowers at a fixed rate of interest. Commercial mortgage loans are carried at unpaid principal balances or, if impaired, the lower of unpaid principal or fair value of the underlying real estate. If the fair value of the underlying real estate is less than unpaid principal, a valuation reserve is recorded and adjusted each period for changes in fair value. Commercial mortgage loans are considered impaired when it is probable that the Company will not collect amounts due according to the terms of the original loan agreement. The Company monitors credit risk and assesses the impairment of loans individually and on a consistent basis for all loans in the portfolio. The Company estimates the fair value of the underlying real estate using internal valuations generally based on discounted cash flow analyses. Certain commercial mortgage loans without valuation reserves are considered impaired because the Company will not collect all interest due according to the terms of the original agreements. However, the Company expects to recover their remaining carrying value primarily because it is less than the fair value of the underlying real estate.

Policy loans. Policy loans are carried at unpaid principal balances plus accumulated interest. The loans are collateralized by insurance policy cash values and therefore have no exposure to credit loss.

Real estate. Investment real estate can be "held and used" or "held for sale". As of December 31, 2012 and 2011, all of the Company's real estate is classified as "held and used". Such real estate is expected to be held longer than one year and includes real estate acquired through the foreclosure of commercial mortgage loans. The Company carries real estate held and used at depreciated cost less any write-downs to fair value due to impairment and assesses impairment when cash flows indicate that the carrying value may not be recoverable. The Company estimates the fair value of impaired real estate using internal valuations generally based on discounted cash flow analyses. Depreciation is generally calculated using the straight-line method based on the estimated useful life of the particular real estate asset. At the time of foreclosure, properties are reclassified from commercial mortgage loans to real estate or other long-term investments depending on the ownership of the underlying assets.

Other long-term investments. Other long-term investments include investments in unconsolidated entities. These entities include certain limited partnerships and limited liability companies holding real estate, securities or loans. These investments are carried at cost plus

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the Company's ownership percentage of reported income or loss in cases where the Company has significant influence, otherwise the investment is carried at cost. Income from certain entities is reported on a one quarter lag depending on when their financial information is received. Also included in other long-term investments are loans to unconsolidated real estate entities secured by the equity interests of these real estate entities, that are carried at unpaid principal balances (mezzanine loans). These other long-term investments are considered impaired, and written down to their fair value, when cash flows indicate that the carrying value may not be recoverable. Fair value is generally determined based on a discounted cash flow analysis.

Additionally, other long-term investments include interest rate and foreign currency swaps carried at fair value. See Note 13 for information on the Company's accounting policies for these derivative financial instruments.

Short-term investments. Investments with maturities of greater than 90 days but less than one year from time of purchase are classified as short-term, available for sale and carried at fair value, which approximates cost.

Derivative financial instruments. The Company applies hedge accounting when derivatives are designated, qualify and are highly effective as hedges. Effectiveness is formally assessed and documented at inception and each period throughout the life of a hedge using various quantitative methods appropriate for each hedge, including regression analysis and dollar offset. Under hedge accounting, the changes in fair value of the derivative and the hedged risk are generally

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recognized together and offset each other when reported in shareholders' net income.

The Company accounts for derivative instruments as follows:

- Derivatives are reported on the balance sheet at fair value with changes in fair values reported in shareholders' net income or accumulated other comprehensive income.
- Changes in the fair value of derivatives that hedge market risk related to future cash flows and that qualify for hedge accounting are reported in a separate caption in accumulated other comprehensive income. These hedges are referred to as cash flow hedges.
- A change in the fair value of a derivative instrument may not always equal the change in the fair value of the hedged item; this difference is referred to as hedge ineffectiveness. Where hedge accounting is used, the Company reflects hedge ineffectiveness in shareholders' net income (generally as part of realized investment gains and losses).
- On early termination, the changes in fair value of derivatives that qualified for hedge accounting are reported in shareholders' net income (generally as part of realized investment gains and losses).

Net investment income. When interest and principal payments on investments are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are delinquent based on contractual terms or when certain terms (interest rate or maturity date) of the investment have been restructured. Net investment income on these investments is only recognized when interest payments are actually received. Interest and dividends on trading and hybrid securities and prepayment penalties on mortgage loans are included in net investment income when they are earned.

Investment gains and losses. Realized investment gains and losses are based on specifically identified assets and result from sales, investment asset write-downs, changes in the fair values of trading and hybrid securities and certain derivatives, changes in valuation reserves and prepayment penalties on fixed maturities.

Unrealized gains and losses on fixed maturities and equity securities carried at fair value (excluding trading and hybrid securities) and certain derivatives are included in accumulated other comprehensive income (loss), net of:

- amounts required to adjust future policy benefits for the run-off settlement annuity business; and
- deferred income taxes.

D. Cash and Cash Equivalents

Cash equivalents consist of short-term investments with maturities of three months or less from the time of purchase that are classified as held to maturity and carried at amortized cost. The Company reclassifies cash overdraft positions to accounts payable, accrued expenses and other liabilities when the legal right of offset does not exist.

E. Premiums, Accounts and Notes Receivable and Reinsurance Recoverables

Premiums, accounts and notes receivable are reported net of an allowance for doubtful accounts of $51 million as of December 31, 2012 and $45 million as of December 31, 2011. Reinsurance recoverables are estimates of amounts that the Company will receive from reinsurers and are recorded net of an allowance for unrecoverable reinsurance of $4 million as of December 31, 2012 and $5 million as of December 31, 2011. The Company estimates these allowances for doubtful accounts for premiums, accounts and notes receivable, as well as for reinsurance recoverables, using management's best estimate of collectibility, taking into consideration the aging of these amounts, historical collection patterns and other economic factors.

F. Deferred Policy Acquisition Costs

Acquisition costs relate to the successful acquisition of new or renewal insurance contracts. Costs eligible for deferral include incremental, direct costs of contract acquisition and other costs directly related to successful contract acquisition. Examples of deferrable costs include commissions, sales compensation and benefits, policy issuance and underwriting costs and premium taxes. The Company records acquisition costs differently depending on the product line. Acquisition costs for:

- ***Universal life products*** are deferred and amortized in proportion to the present value of total estimated gross profits over the expected lives of the contracts.

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Supplemental health, life and accident insurance (primarily individual products) and group health and accident insurance products are deferred and amortized, generally in proportion to the ratio of periodic revenue to the estimated total revenues over the contract periods.

Other products are expensed as incurred.

Deferred acquisition costs also include an intangible asset that primarily represents the value of business acquired by the Company with the purchase of the supplemental benefits business in 2012. See Note 3 for additional information. There are no deferred policy acquisition costs attributable to the sold individual life insurance and annuity and retirement businesses or the run-off reinsurance and settlement annuity operations.

For universal life and other individual products, management estimates the present value of future revenues less expected payments. For group health and accident insurance products, management estimates the sum of unearned premiums and anticipated net investment income less future expected claims and related costs. If management's estimates of these sums are less than the deferred costs, the Company reduces deferred policy acquisition costs and records an expense. The Company recorded amortization for policy acquisition costs of $218 million in 2012, $259 million in 2011 and $251 million in 2010 in other operating expenses.

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G. Property and Equipment

Property and equipment is carried at cost less accumulated depreciation. When applicable, cost includes interest, real estate taxes and other costs incurred during construction. Also included in this category is internal-use software that is acquired, developed or modified solely to meet the Company's internal needs, with no plan to market externally. Costs directly related to acquiring, developing or modifying internal-use software are capitalized.

The Company calculates depreciation and amortization principally using the straight-line method generally based on the estimated useful life of each asset as follows: buildings and improvements, 10 to 40 years; purchased software, one to five years; internally developed software, three to seven years; and furniture and equipment (including computer equipment), three to 10 years. Improvements to leased facilities are depreciated over the remaining lease term or the estimated life of the improvement. The Company considers events and circumstances that would indicate the carrying value of property, equipment or capitalized software might not be recoverable. If the Company determines the carrying value of a long-lived asset is not recoverable, an impairment charge is recorded. See Note 9 for additional information.

H. Goodwill

Goodwill represents the excess of the cost of businesses acquired over the fair value of their net assets. Goodwill primarily relates to the Global Health Care segment ($5.7 billion) and, to a lesser extent, the Global Supplemental Benefits segment ($350 million). The Company evaluates goodwill for impairment at least annually during the third quarter at the reporting unit level, based on discounted cash flow analyses and writes it down through results of operations if impaired. Consistent with prior years, the Company's evaluations of goodwill associated with these segments used the best information available at the time, including reasonable assumptions and projections consistent with those used in its annual planning process. The discounted cash flow analyses used a range of discount rates that correspond with the reporting unit's weighted average cost of capital, consistent with that used for investment decisions considering the specific and detailed operating plans and strategies within the reporting units. The resulting discounted cash flow analyses indicated estimated fair values for the reporting units exceeding their carrying values, including goodwill and other intangibles. Finally, after reallocating goodwill in conjunction with the resegmentation at December 31, 2012, the Company determined that no events or circumstances have occurred that would more likely than not reduce the fair values of the reporting units below their carrying values. See Note 9 for additional information.

I. Other Assets, including Other Intangibles

Other assets consist of various insurance-related assets and the gain position of certain derivatives, primarily guaranteed minimum income benefits ("GMIB") assets. The Company's other intangible assets include purchased customer and producer relationships, provider networks, and trademarks. The Company amortizes other intangibles on an accelerated or straight-line basis over periods from 1 to 30 years. Management revises amortization periods if it believes there has been a change in the length of time that an intangible asset will continue to have value. Costs incurred to renew or extend the terms of these intangible assets are generally expensed as incurred. See Notes 9 and 11 for additional information.

J. Separate Account Assets and Liabilities

Separate account assets and liabilities are contractholder funds maintained in accounts with specific investment objectives. The assets of these accounts are legally segregated and are not subject to claims that arise out of any of the Company's other businesses. These separate account assets are carried at fair value with equal amounts for related separate account liabilities. The investment income, gains and losses of these accounts generally accrue to the contractholders and, together with their deposits and withdrawals, are excluded from the Company's Consolidated Statements of Income and Cash Flows. Fees and charges earned for asset management or administrative services and mortality risks are reported in premiums and fees.

K. Contractholder Deposit Funds

Liabilities for contractholder deposit funds primarily include deposits received from customers for investment-related and universal life products and investment earnings on their fund balances. These liabilities are adjusted to reflect administrative charges and, for universal life fund balances, mortality charges. In addition, this caption includes premium stabilization reserves that are insurance experience

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refunds for group contracts that are left with the Company to pay future premiums, deposit administration funds that are used to fund nonpension retiree insurance programs, retained asset accounts and annuities or supplementary contracts without significant life contingencies. Interest credited on these funds is accrued ratably over the contract period.

L. Future Policy Benefits

Future policy benefits are liabilities for the present value of estimated future obligations under long-term life and supplemental health insurance policies and annuity products currently in force. These obligations are estimated using actuarial methods and primarily consist of reserves for annuity contracts, life insurance benefits, guaranteed minimum death benefit ("GMDB") contracts (see Note 7 for additional information) and certain health, life, and accident insurance products in our Global Supplemental Benefits segment.

Obligations for annuities represent specified periodic benefits to be paid to an individual or groups of individuals over their remaining lives. Obligations for life insurance policies represent benefits to be paid to policyholders, net of future premiums to be received. Management estimates these obligations based on assumptions as to premiums, interest rates, mortality and surrenders, allowing for adverse deviation. Mortality, morbidity, and surrender assumptions are based on either the Company's own experience or actuarial tables. Interest rate assumptions are based on management's judgment considering the Company's experience and future expectations, and range from 1% to 10%. Obligations for the run-off settlement

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annuity business include adjustments for investment returns consistent with requirements of GAAP when a premium deficiency exists.
Certain reinsurance contracts contain GMDB under variable annuities issued by other insurance companies. These obligations represent the guaranteed death benefit in excess of the contractholder's account values (based on underlying equity and bond mutual fund investments). These obligations are estimated based on assumptions regarding lapse, partial surrenders, mortality, interest rates (mean investment performance and discount rate), market volatility as well as investment returns and premiums, consistent with the requirements of GAAP when a premium deficiency exists. Lapse, partial surrenders, mortality, interest rates and volatility are based on management's judgment considering the Company's experience and future expectations. The results of futures and swap contracts used in the GMDB equity and growth interest rate hedge programs are reflected in the liability calculation as a component of investment returns. See also Note 7 for additional information.

M. Unpaid Claims and Claims Expenses

Liabilities for unpaid claims and claim expenses are estimates of payments to be made under insurance coverages (primarily long-term disability, workers' compensation and life and health) for reported claims and for losses incurred but not yet reported.
The Company develops these estimates for losses incurred but not yet reported using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size, subrogation recoveries and the length of time over which payments are expected to be made. The Company consistently applies these actuarial principles and assumptions each reporting period, with consideration given to the variability of these factors, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, that require the liabilities to be adequate under moderately adverse conditions.
The Company's estimate of the liability for disability claims reported but not yet paid is primarily calculated as the present value of expected benefit payments to be made over the estimated time period that a policyholder remains disabled. The Company estimates the expected time period that a policyholder may be disabled by analyzing the rate at which an open claim is expected to close (claim resolution rate). Claim resolution rates may vary based upon the length of time a policyholder is disabled, the covered benefit period, cause of disability, benefit design and the policyholder's age, gender and income level. The Company uses historical resolution rates combined with an analysis of current trends and operational factors to develop current estimates of resolution rates. The reserve for the gross monthly disability benefits due to a policyholder is reduced (offset) by the income that the policyholder receives under other benefit programs, such as Social Security Disability Income, workers' compensation, statutory disability or other group disability benefit plans. For awards of such offsets that have not been finalized, the Company estimates the probability and amount of the offset based on the Company's experience over the past three to five years.
The Company discounts certain claim liabilities related to group long-term disability and workers' compensation because benefit payments may be made over extended periods. Discount rate assumptions are based on projected investment returns for the asset portfolios that support these liabilities and range from 1.83% to 6.25%. When estimates change, the Company records the adjustment in benefits and expenses in the period in which the change in estimate is identified. Discounted liabilities associated with the long-term disability and certain workers' compensation businesses were $3.2 billion at December 31, 2012 and 2011.

N. Global Health Care Medical Claims Payable

Medical claims payable for the Global Health Care segment include both reported claims and estimates for losses incurred but not yet reported including amounts owed for services from providers and under risk-sharing and quality management arrangements with providers. The Company develops estimates for Global Health Care medical claims payable using actuarial principles and assumptions consistently applied each reporting period, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, which require that the liabilities be adequate under moderately adverse conditions.
The liability is primarily calculated using "completion factors" (a measure of the time to process claims), which are developed by comparing the date claims were incurred, generally the date services were provided, to the date claims were paid. The Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors. The Company estimates the liability for claims incurred in each month by applying the current estimates of completion factors to the current paid claims data. This approach implicitly assumes that historical completion rates will be a useful indicator for the current period. It is possible that the actual completion rates for the current period will develop differently from historical patterns, which could have a material impact on the Company's medical claims payable and shareholders' net income.

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Completion factors are impacted by several key items including changes in: 1) electronic (auto-adjudication) versus manual claim processing, 2) provider claims submission rates, 3) membership and 4) the mix of products. As noted, the Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors.

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In addition, for the more recent months, the Company also relies on medical cost trend analysis, which reflects expected claim payment patterns and other relevant operational considerations. Medical cost trend is primarily impacted by medical service utilization and unit costs, which are affected by changes in the level and mix of medical benefits offered, including inpatient, outpatient and pharmacy, the impact of copays and deductibles, changes in provider practices and changes in consumer demographics and consumption behavior.

Despite reflecting both historical and emerging trends in setting reserves, it is possible that the actual medical trend for the current period will develop differently from expectations, which could have a material impact on the Company's medical claims payable and shareholders' net income.

For each reporting period, the Company evaluates key assumptions by comparing the assumptions used in establishing the medical claims payable to actual experience. When actual experience differs from the assumptions used in establishing the liability, medical claims payable are increased or decreased through current period shareholders' net income. Additionally, the Company evaluates expected future developments and emerging trends which may impact key assumptions. The estimation process involves considerable judgment, reflecting the variability inherent in forecasting future claim payments. These estimates are highly sensitive to changes in the Company's key assumptions, specifically completion factors, and medical cost trends.

O. Unearned Premiums and Fees

Premiums for life, accident and health insurance are recognized as revenue on a pro rata basis over the contract period. Fees for mortality and contract administration of universal life products are recognized ratably over the coverage period. The unrecognized portion of these amounts received is recorded as unearned premiums and fees.

P. Redeemable Noncontrolling Interest

The redeemable noncontrolling interest comprises the preferred and common stock interests not purchased by the Company in its acquisition of Finans Emeklilik in 2012 (see Note 3A for further information.) This redeemable noncontrolling interest relates to the right of the holder to require the Company to purchase the holder's 49% interest at a redemption value equal to its net assets in Finans Emklilik and the value of its inforce business in 15 years. Cigna also has the right to require the holder to sell its 49% interest to Cigna for the same value in 15 years. The redeemable noncontrolling interest was recorded at fair value on the date of purchase. Subsequently, if the estimated redemption value exceeds the recorded value for the redeemable noncontrolling interest, an adjustment to increase the redeemable noncontrolling interest will be recorded and impact income available to common shareholders.

Q. Accounts Payable, Accrued Expenses and Other Liabilities

Accounts payable, accrued expenses and other liabilities consist principally of liabilities for pension, other postretirement and postemployment benefits (see Note 10), the loss position of certain derivatives, primarily for GMIB contracts (see Note 13), self-insured exposures, management compensation and various insurance-related items, including experience rated refunds, the minimum medical loss ratio rebate accrual under Health Care Reform, amounts related to reinsurance contracts and insurance-related assessments that management can reasonably estimate. Accounts payable, accrued expenses and other liabilities also include certain overdraft positions. Legal costs to defend the Company's litigation and arbitration matters are expensed when incurred in cases that the Company cannot reasonably estimate the ultimate cost to defend. In cases that the Company can reasonably estimate the cost to defend, these costs are recognized when the claim is reported.

R. Translation of Foreign Currencies

The Company generally conducts its international business through foreign operating entities that maintain assets and liabilities in local currencies, which are generally their functional currencies. The Company uses exchange rates as of the balance sheet date to translate assets and liabilities into U.S. dollars. Translation gains or losses on functional currencies, net of applicable taxes, are recorded in accumulated other comprehensive income (loss). The Company uses average monthly exchange rates during the year to translate revenues and expenses into U.S. dollars.

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S. Premiums and Fees, Revenues and Related Expenses

Premiums for group life, accident and health insurance and managed care coverages are recognized as revenue on a pro rata basis over the contract period. Benefits and expenses are recognized when incurred. Premiums and fees include revenue from experience-rated contracts that is based on the estimated ultimate claim, and in some cases, administrative cost experience of the contract. For these contracts, premium revenue includes an adjustment for experience-rated refunds which is calculated according to contract terms and using the customer's experience (including estimates of incurred but not reported claims). Beginning in 2011, premium revenue also includes an adjustment to reflect the estimated effect of rebates due to customers under the minimum medical loss ratio provisions of Health Care Reform.

Premiums for individual life, accident and supplemental health insurance and annuity products, excluding universal life and investment-related products, are recognized as revenue when due. Benefits and expenses are matched with premiums.

Premiums and fees received for the Company's Medicare Advantage Plans and Medicare Part D products from customers and the Centers for Medicare and Medicaid Services (CMS) are recognized as revenue ratably over the contract period. CMS provides risk adjusted premium payments for the Medicare Advantage Plans and Medicare Part D products, based on the demographics and health severity of enrollees. The Company recognizes periodic changes to risk adjusted premiums as revenue when the amounts are determinable and collection is reasonably assured. Additionally, Medicare Part D includes payments from CMS for risk sharing adjustments. The risk sharing adjustments,

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that are estimated quarterly based on claim experience, compare actual incurred drug benefit costs to estimated costs submitted in original contracts and may result in more or less revenue from CMS. Final revenue adjustments are determined through an annual settlement with CMS that occurs after the contract year.

Revenue for investment-related products is recognized as follows:

- Net investment income on assets supporting investment-related products is recognized as earned.
- Contract fees, that are based upon related administrative expenses, are recognized in premiums and fees as they are earned ratably over the contract period.

Benefits and expenses for investment-related products consist primarily of income credited to policyholders in accordance with contract provisions.

Revenue for universal life products is recognized as follows:

- Net investment income on assets supporting universal life products is recognized as earned.
- Fees for mortality and surrender charges are recognized as assessed, that is as earned.
- Administration fees are recognized as services are provided.

Benefits and expenses for universal life products consist of benefit claims in excess of policyholder account balances. Expenses are recognized when claims are submitted, and income is credited to policyholders in accordance with contract provisions.

Contract fees and expenses for administrative services only programs and pharmacy programs and services are recognized as services are provided net of estimated refunds under performance guarantees. In some cases, the Company provides performance guarantees associated with meeting certain service standards, clinical outcomes or financial metrics. If these service standards, clinical outcomes or financial metrics are not met, the Company may be financially at risk up to a stated percentage of the contracted fee or a stated dollar amount. The Company establishes deferred revenues for estimated payouts associated with these performance guarantees. Approximately 16% of ASO fees reported for the year ended December 31, 2012 were at risk, with reimbursements estimated to be approximately 1%.

Mail order pharmacy revenues and cost of goods sold are recognized as each prescription is shipped.

T. Stock Compensation

The Company records compensation expense for stock awards and options over their vesting periods primarily based on the estimated fair value at the grant date. Compensation expense is recorded for stock options over their vesting period based on fair value at the grant date which is calculated using an option-pricing model. Compensation expense is recorded for restricted stock grants and units over their vesting periods based on fair value, which is equal to the market price of the Company's common stock on the date of grant. Compensation expense for strategic performance shares is recorded over the performance period. For strategic performance shares with payment dependent on market condition, fair value is determined at the grant date using a Monte Carlo simulation model and not subsequently adjusted regardless of the final outcome. For strategic performance shares with payment dependent on performance conditions, expense is initially accrued based on the most likely outcome, but evaluated for adjustment each period for updates in the expected outcome. At the end of the performance period, expense is adjusted to the actual outcome (number of shares awarded times the share price at the grant date).

U. Participating Business

The Company's participating life insurance policies entitle policyholders to earn dividends that represent a portion of the earnings of the Company's life insurance subsidiaries. Participating insurance accounted for approximately 1% of the Company's total life insurance in force at the end of 2012, 2011 and 2010.

V. Income Taxes

The Company and its domestic subsidiaries file a consolidated United States federal income tax return. The Company's foreign subsidiaries file tax returns in accordance with foreign law. U.S. taxation of these foreign subsidiaries may differ in timing and amount

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from taxation under foreign laws. Reportable U.S. taxable income for these subsidiaries is reflected in the U.S. tax return of the affiliates' domestic parent.

The Company recognizes deferred income taxes when the financial statement and tax-based carrying values of assets and liabilities are different. In addition, deferred income tax liabilities are recognized on the unremitted earnings of foreign subsidiaries that are not permanently invested overseas. For subsidiaries whose earnings are considered permanently invested overseas, income taxes are accrued at the local foreign tax rate. The Company establishes valuation allowances against deferred tax assets if it is determined more likely than not that the deferred tax asset will not be realized. The need for a valuation allowance is determined based on the evaluation of various factors, including expectations of future earnings and management's judgment. Note 20 contains detailed information about the Company's income taxes.

The Company recognizes interim period income taxes by determining an estimated annual effective tax rate and applying that rate to year-to-date pretax results. The estimated annual effective tax rate is updated periodically based on revised projections of full year income. Although the effective tax rate approach is generally used for interim periods, taxes on significant, unusual and infrequent items are recognized at the statutory tax rate entirely in the period the amounts are realized.

W. Earnings Per Share

The Company computes basic earnings per share using the weighted-average number of unrestricted common and deferred shares outstanding. Diluted earnings per share also includes the dilutive effect of outstanding employee stock options and unvested restricted stock granted after 2009 using the treasury stock method and the effect of strategic performance shares.

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NOTE 3 Acquisitions and Dispositions

The Company may from time to time acquire or dispose of assets, subsidiaries or lines of business. Significant transactions are described below.

A. Joint Venture Agreement with Finansbank

On November 9, 2012, the Company acquired 51% of the total shares of Finans Emeklilik ve Hayat A.S. ("Finans Emeklilik"), a Turkish insurance company, from Finansbank A.S. ("Finansbank"), a Turkish retail bank, for a cash purchase price of approximately $116 million. Finansbank continues to hold 49% of the total shares. Finans Emeklilik operates in life insurance, accident insurance and pension product markets. The acquisition provides Cigna opportunities to reach and serve the growing middle class market in Turkey through Finansbank's network of retail banking branches.

In accordance with GAAP, the total purchase price, including the redeemable noncontrolling interest of $111 million, has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair value and may change as additional information becomes available over the next several months. Accordingly, approximately $117 million was allocated to identifiable intangible assets, primarily a distribution relationship and the value of business acquired ("VOBA") that represents the present value of the estimated net cash flows from the long duration contracts in force, with the remaining $113 million allocated to goodwill. The identifiable intangible assets will be amortized over an estimated useful life of approximately 10 years. Goodwill has been provisionally allocated to the Global Supplemental Benefits segment and is not deductible for federal income tax purposes.

The redeemable noncontrolling interest is classified as temporary equity in the Company's Consolidated Balance Sheet because Finansbank has the right to require the Company to purchase its 49% interest in the value of its net assets and the inforce business in 15 years.

The condensed balance sheet at the acquisition date was as follows:

(In millions)	
Investments	$ 23
Cash and cash equivalents	54
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)	28
Goodwill	113
Separate account assets	99
Other assets, including other intangibles	100
Total assets acquired	417
Insurance liabilities	58
Accounts payable, accrued expenses and other liabilities	33
Separate account liabilities	99
Total liabilities acquired	190
Redeemable noncontrolling interest	111
Net assets acquired	$ 116

The results of Finans Emeklilik are included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the years ended December 31, 2012 and 2011.

B. Acquisition of Great American Supplemental Benefits Group

On August 31, 2012, the Company acquired Great American Supplemental Benefits Group, one of the largest providers of supplemental health insurance products in the U.S. with cash from internal resources. The Company finalized the purchase price in the first quarter of 2013 that resulted in an increase of $19 million to $326 million. The acquisition provides the Company with an increased presence

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in the Medicare supplemental benefits market. It also extends the Company's global direct-to-consumer retail channel as well as further enhances its distribution network of agents and brokers. Subsequent to the segment reporting changes in 2012, results of this business are reported in the Global Supplemental Benefits segment.

In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair value and may change as additional information becomes available over the next several months. The Company updated its allocation of the purchase price in the fourth quarter of 2012 with the completion of fair valuation procedures for insurance liabilities and the resolution of certain tax matters. These changes resulted in an increase in the allocation to the insurance liabilities by $73 million to $707 million and to the VOBA asset by $73 million to $144 million. In addition, the allocation to tax accounts was increased by $15 million to a $7 million asset. Approximately $168 million was allocated to intangible assets, primarily the VOBA asset that will be amortized in proportion to premium recognized over the life of the contracts that is estimated to be 30 years. Amortization is expected to be higher in early years and decline as policies lapse. Goodwill has been allocated to the Global Supplemental Benefits segment as of December 31, 2012. Substantially all of the goodwill is tax deductible and will be amortized over the next 15 years for federal income tax purposes.

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The condensed balance sheet at the acquisition date was as follows:

(In millions)	
Investments	$ 211
Cash and cash equivalents	36
Reinsurance recoverables	448
Goodwill	168
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)	144
Other assets, including other intangibles	35
Total assets acquired	1,042
Insurance liabilities	707
Accounts payable, accrued expenses and other liabilities	9
Total liabilities acquired	716
Net assets acquired	$ 326

The results of this business have been included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the years ended December 31, 2012 and 2011.

C. Acquisition of HealthSpring, Inc.

On January 31, 2012 the Company acquired the outstanding shares of HealthSpring, Inc. ("HealthSpring") for $55 per share in cash and Cigna stock awards, representing a cost of approximately $3.8 billion. HealthSpring provides Medicare Advantage coverage in 13 states and the District of Columbia, as well as a large, national stand-alone Medicare prescription drug business. The acquisition of HealthSpring strengthens the Company's ability to serve individuals across their life stages as well as deepens its presence in a number of geographic markets. The addition of HealthSpring brings industry leading physician partnership capabilities and creates the opportunity to deepen the Company's existing client and customer relationships, as well as facilitates a broader deployment of its range of health and wellness capabilities and product offerings. The Company funded the acquisition with internal cash resources.

Merger consideration: The estimated merger consideration of $3.8 billion was determined as follows:

(In millions, except per share amounts)		
HealthSpring, Inc. common shares outstanding at January 30, 2012		67.8
Less: common shares outstanding not settled in cash		(0.1)
Common shares settled in cash		67.7
Price per share	$	55
Cash consideration for outstanding shares	$	3,725
Fair value of share-based compensation awards		65
Additional cash and equity consideration		21
TOTAL MERGER CONSIDERATION	**$**	**3,811**

Fair value of share-based compensation awards. On the date of the acquisition, HealthSpring employees' awards of options and restricted shares of HealthSpring stock were rolled over to Cigna stock options and restricted stock. Each holder of a HealthSpring stock option or restricted stock award received 1.24 Cigna stock options or restricted stock awards. The conversion ratio of 1.24 at the date of acquisition was determined by dividing the acquisition price of HealthSpring shares of $55 per share by the price of Cigna stock on January 31, 2012 of $44.43. The Cigna stock option exercise price was determined by using this same conversion ratio. Vesting periods and the remaining life of the options rolled over with the original HealthSpring awards.

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The Company valued the share-based compensation awards as of the acquisition date using Cigna's stock price for restricted stock and a Black-Scholes pricing model for stock options. The assumptions used were generally consistent with those disclosed in Note 21 to the Company's 2012 Consolidated Financial Statements, except the expected life assumption of these options ranged from 1.8 to 4.8 years and the exercise price did not equal the market value at the grant date. Fair value of the new stock options approximated intrinsic value because the exercise price at the acquisition date for substantially all of the options was significantly below Cigna's stock price.

The fair value of these options and restricted stock awards was included in the purchase price to the extent that services had been provided prior to the acquisition based on the grant date of the original HealthSpring awards and vesting periods. The remaining fair value not included in the purchase price will be recorded as compensation expense in future periods over the remaining vesting periods. Most of the expense is expected to be recognized in 2012 and 2013.

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The following table summarizes the effect of these rollover awards for former HealthSpring employees.

(Awards in thousands, dollars in millions, except per share amounts)	Number of awards	Average exercise/ award price	Fair value of awards	Included in purchase price	Compensation expense post-acquisition
Vested options	589	$ 14.04	$ 18	$ 18	$ -
Unvested options	1,336	$ 16.21	37	28	9
Restricted stock	786	$ 44.43	35	19	16
TOTAL	**2,711**		**$ 90**	**$ 65**	**$ 25**

Purchase price allocation. In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. Subsequent to the segment reporting changes in 2012, goodwill has been allocated to the Government operating segment as of December 31, 2012 and is not deductible for federal income tax purposes. The condensed balance sheet of HealthSpring at the acquisition date was as follows:

(In millions)	
Investments	$ 612
Cash and cash equivalents	492
Premiums, accounts and notes receivable	320
Goodwill	2,541
Intangible assets	795
Other	96
TOTAL ASSETS ACQUIRED	**4,856**
Insurance liabilities	505
Deferred income taxes	214
Debt	326
TOTAL LIABILITIES ACQUIRED	**1,045**
NET ASSETS ACQUIRED	**$ 3,811**

In accordance with debt covenants, HealthSpring's debt obligation was paid immediately following the acquisition. This repayment is reported as a financing activity in the statement of cash flows for the year ended December 31, 2012.

The estimated fair values and useful lives for intangible assets are as follows:

(Dollars in millions)	Estimated Fair Value	Estimated Useful Life (In Years)
Customer relationships	$ 711	8
Other	84	3-10
TOTAL OTHER INTANGIBLE ASSETS	**$ 795**	

The fair value of the customer relationship and the amortization method were determined using an income approach that relies on projected future net cash flows including key assumptions for the customer attrition rate and discount rate. The estimated weighted average useful life reflects the time period and pattern of use that Cigna expects for over 90% of the projected benefits. Accordingly, amortization was recorded on an accelerated basis in 2012 and will decline in subsequent years.

The results of HealthSpring have been included in the Company's Consolidated Financial Statements from the date of the acquisition. Revenues of HealthSpring included in the Company's results for the year ended December 31, 2012 were approximately $5.4 billion. During 2012, the Company recorded $53 million pre-tax ($40 million after-tax) of acquisition-related costs in other operating expenses.

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Pro forma information. The following table presents selected unaudited pro forma information for the Company assuming the acquisition of HealthSpring had occurred as of January 1, 2011. This pro forma information does not purport to represent what the Company's actual results would have been if the acquisition had occurred as of the date indicated or what such results would be for any future periods.

	Year Ended December 31,	
(In millions, except per share amounts)	**2012**	**2011**
Total revenues	$ 29,608	$ 27,461
Shareholders' net income	$ 1,633	$ 1,456
Earnings per share:		
Basic	$ 5.73	$ 5.11
Diluted	$ 5.63	$ 5.02

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D. Acquisition of FirstAssist

In November 2011, the Company acquired FirstAssist Group Holdings Limited ("FirstAssist") for approximately $115 million in cash. FirstAssist is based in the United Kingdom and provides travel and protection insurance services that the Company expects will enhance its individual business in the U.K. and around the world.

In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. During 2012, the Company updated its allocation of the purchase price based on additional information. Accordingly, the allocation to identifiable intangible assets was decreased by $18 million to $40 million. The allocation to goodwill was increased by $8 million to $64 million. Subsequent to the segment reporting changes in 2012, goodwill has been reported in the Global Supplemental Benefits segment.

The results of FirstAssist are included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the year ended December 31, 2011.

E. Reinsurance of Run-off Workers' Compensation and Personal Accident Business

On December 31, 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar Group Limited and transferring administration of this business to the reinsurer. Under the reinsurance agreement, Cigna is indemnified for liabilities with respect to its workers' compensation and personal accident reinsurance business to the extent that these liabilities do not exceed 190% of the December 31, 2010 net reserves. The Company believes that the risk of loss beyond this maximum aggregate is remote. The reinsurance arrangement is secured by assets held in trust. Cash consideration paid to the reinsurer was $190 million. The net effect of this transaction was an after-tax loss of $20 million ($31 million pre-tax), primarily reported in other operating expenses in the Run-off Reinsurance segment.

F. Acquisition of Vanbreda International

On August 31, 2010, the Company acquired 100% of the voting stock of Vanbreda International NV (Vanbreda International), based in Antwerp, Belgium for a cash purchase price of $412 million. Vanbreda International specializes in providing worldwide medical insurance and employee benefits to intergovernmental and non-governmental organizations, including international humanitarian operations, as well as corporate clients. Vanbreda International's market leadership in the intergovernmental segment complements the Company's position in providing global health benefits primarily to multinational companies and organizations and their globally mobile employees in North America, Europe, the Middle East and Asia.

In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. Accordingly, approximately $210 million was allocated to intangible assets, primarily customer relationships. The weighted average amortization period is 15 years.

Subsequent to the segment reporting changes in 2012, goodwill has been allocated to the Commercial operating segment. For foreign tax purposes, the acquisition of Vanbreda International was treated as a stock purchase. Accordingly, goodwill and other intangible assets will not be amortized for foreign tax purposes but may reduce the taxability of earnings repatriated to the U.S. by Vanbreda International.

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NOTE 4 Earnings Per Share

Basic and diluted earnings per share were computed as follows:

(Dollars in millions, except per share amounts)	Basic	Effect of Dilution	Diluted
2012			
Shareholders' net income	$ 1,623	$ -	$ 1,623
Shares *(in thousands)*:			
Weighted average	284,819	-	284,819
Common stock equivalents		4,711	4,711
Total shares	284,819	4,711	289,530
EPS	$ 5.70	$ (0.09)	$ 5.61
2011			
Shareholders' net income	$ 1,260	$ -	$ 1,260
Shares *(in thousands)*:			
Weighted average	270,691	-	270,691
Common stock equivalents		3,558	3,558
Total shares	270,691	3,558	274,249
EPS	$ 4.65	$ (0.06)	$ 4.59
2010			
Shareholders' net income	$ 1,279	$ -	$ 1,279
Shares *(in thousands)*:			
Weighted average	272,866	-	272,866
Common stock equivalents		2,421	2,421
Total shares	272,866	2,421	275,287
EPS	$ 4.69	$ (0.04)	$ 4.65

The following outstanding employee stock options were not included in the computation of diluted earnings per share because their effect would have increased diluted earnings per share (antidilutive) as their exercise price was greater than the average share price of the Company's common stock for the period.

(In millions)	2012	2011	2010
Antidilutive options	2.5	3.7	6.3

NOTE 5 Global Health Care Medical Claims Payable

Medical claims payable for the Global Health Care segment reflects estimates of the ultimate cost of claims that have been incurred but not yet reported, those which have been reported but not yet paid (reported claims in process) and other medical expense payable, which comprises accruals primarily for provider incentives and other amounts payable to providers.

As discussed further in Notes 2 and 23? effective December 31, 2012, Cigna changed its external reporting segments. The Global Health Care segment now includes most of Cigna's international health care business (primarily the global health benefits business previously reported in the former International segment). As a result of the segment reporting change, insurance liabilities of the international health care business previously classified as Unpaid Claims have been reclassified to Global Health Care Medical Claims Payable in the Consolidated Balance Sheets, and corresponding amounts in the Statement of Income previously reported as Other Benefits Expense have been reclassified to Global Health Care Medical Claims Expense. Prior year amounts have been conformed to this new presentation.

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PART II

ITEM 8 Financial Statements and Supplementary Data

Incurred but not yet reported comprises the majority of the reserve balance as follows:

(In millions)	2012	2011
Incurred but not yet reported	$ 1,541	$ 1,059
Reported claims in process	243	232
Other medical expense payable	72	14
MEDICAL CLAIMS PAYABLE	**$ 1,856**	**$ 1,305**

Activity in medical claims payable was as follows:

(In millions)	2012	2011	2010
Balance at January 1,	$ 1,305	$ 1,400	$ 1,045
Less: Reinsurance and other amounts recoverable	249	284	257
Balance at January 1, net	1,056	1,116	788
Acquired net:	504	-	-
Incurred claims related to:			
Current year	14,428	9,265	9,337
Prior years	(200)	(140)	(115)
Total incurred	14,228	9,125	9,222
Paid claims related to:			
Current year	12,854	8,227	8,217
Prior years	1,320	958	677
Total paid	14,174	9,185	8,894
Balance at December 31, net	1,614	1,056	1,116
Add: Reinsurance and other amounts recoverable	242	249	284
Balance at December 31,	$ 1,856	$ 1,305	$ 1,400

Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims for minimum premium products and certain administrative services only business where the right of offset does not exist. See Note 8 for additional information on reinsurance. For the year ended December 31, 2012, actual experience differed from the Company's key assumptions resulting in favorable incurred claims related to prior years' medical claims payable of $200 million, or 2.2% of the current year incurred claims as reported for the year ended December 31, 2011. Actual completion factors accounted for $91 million, or 1.0% of the favorability, while actual medical cost trend resulted in the remaining $109 million, or 1.2%.

For the year ended December 31, 2011, actual experience differed from the Company's key assumptions, resulting in favorable incurred claims related to prior years' medical claims payable of $140 million, or 1.5% of the current year incurred claims as reported for the year ended December 31, 2010. Actual completion factors resulted in $96 million, or 1.0% of the favorability, while actual medical cost trend resulted in the remaining $44 million, or 0.5%.

The corresponding impact of prior year development on shareholders' net income was $66 million for the year ended December 31, 2012 compared with $49 million for the year ended December 31, 2011. The favorable effects of prior year development on net income in 2012 and 2011 primarily reflect low medical services utilization trend. The change in the amount of the incurred claims related to prior years in the medical claims payable liability does not directly correspond to an increase or decrease in the Company's shareholders' net income recognized for the following reasons.

First, the Company consistently recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, that require the liabilities be adequate under moderately adverse conditions. As the Company establishes the liability for each incurral year, the Company ensures that its assumptions appropriately consider moderately adverse conditions. When a portion of the development related to the prior year incurred claims is offset by an increase determined appropriate to address

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moderately adverse conditions for the current year incurred claims, the Company does not consider that offset amount as having any impact on shareholders' net income.

Second, as a result of the adoption of the commercial minimum medical loss ratio (MLR) provisions of the Patient Protection and Affordable Care Act in 2011, changes in medical claim estimates due to prior year development may be partially offset by a change in the MLR rebate accrual.

Third, changes in reserves for the Company's retrospectively experience-rated business do not always impact shareholders' net income. For the Company's retrospectively experience-rated business only adjustments to medical claims payable on accounts in deficit affect shareholders' net income. An increase or decrease to medical claims payable on accounts in deficit, in effect, accrues to the Company and directly impacts shareholders' net income. An account is in deficit when the accumulated medical costs and administrative charges, including profit charges, exceed the accumulated premium received. Adjustments to medical claims payable on accounts in surplus accrue directly to the policyholder with no impact on the Company's shareholders' net income. An account is in surplus when the accumulated premium received exceeds the accumulated medical costs and administrative charges, including profit charges.

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NOTE 6 Realignment and Efficiency Plan

During the third quarter of 2012, the Company, in connection with the execution of its strategy, committed to a series of actions to further improve its organizational alignment, operational effectiveness, and efficiency. As a result, the Company recognized charges in other operating expenses of $77 million pre-tax ($50 million after-tax) in the third quarter of 2012 consisting primarily of severance costs. The Global Health Care segment reported $65 million pre-tax ($42 million after-tax) of the charge. The remainder was reported as follows: $9 million pre-tax ($6 million after-tax) in Global Supplemental Benefits and $3 million pre-tax ($2 million after-tax) in Group Disability and Life.

Summarized below is activity for 2012.

(In millions)	Severance	Real estate	Total
Third quarter 2012 charge	$ 72	$ 5	$ 77
less: Fourth quarter 2012 payments	5	1	6
Balance, December 31, 2012	$ 67	$ 4	$ 71

The severance costs are expected to be substantially paid in 2013.

NOTE 7 Guaranteed Minimum Death Benefit Contracts

As discussed in Note 25, the Company reinsured the guaranteed minimum death benefit ("GMDB") business on February 4, 2013.

The Company's reinsurance operations, that were discontinued in 2000 and are now an inactive business in run-off mode, reinsured a GMDB, also known as variable annuity death benefits ("VADBe"), under certain variable annuities issued by other insurance companies. These variable annuities are essentially investments in mutual funds combined with a death benefit. The Company has equity and other market exposures as a result of this product. In periods of declining equity markets and in periods of flat equity markets following a decline, the Company's liabilities for these guaranteed minimum death benefits increase. Conversely, in periods of rising equity markets, the Company's liabilities for these guaranteed minimum death benefits decrease.

In 2000, the Company determined that the GMDB reinsurance business was premium deficient because the recorded future policy benefit reserve was less than the expected present value of future claims and expenses less the expected present value of future premiums and investment income using revised assumptions based on actual and expected experience. The Company tests for premium deficiency by reviewing its reserve each quarter using current market conditions and its long-term assumptions. Under premium deficiency accounting, if the recorded reserve is determined to be insufficient, an increase to the reserve is reflected as a charge to current period income. Consistent with GAAP, the Company does not recognize gains on premium deficient long duration products.

See Note 13 for further information on the Company's dynamic hedge programs. These programs were used to reduce certain equity and interest rate exposures associated with this business and were discontinued after February 4, 2013.

The determination of liabilities for GMDB requires the Company to make critical accounting estimates. The Company estimates its liabilities for GMDB exposures with an internal model using many scenarios and based on assumptions regarding lapse, future partial surrenders, claim mortality (deaths that result in claims), interest rates (mean investment performance and discount rate) and volatility. These assumptions are based on the Company's experience and future expectations over the long-term period, consistent with the long-term nature of this product. The Company regularly evaluates these assumptions and changes its estimates if actual experience or other evidence suggests that assumptions should be revised.

The following provides information about the Company's reserving methodology and assumptions for GMDB as of December 31, 2012:

The reserves represent estimates of the present value of net amounts expected to be paid, less the present value of net future premiums. Included in net amounts expected to be paid is the excess of the guaranteed death benefits over the values of the contractholders' accounts (based on underlying equity and bond mutual fund investments).

The reserves include an estimate for partial surrenders (that allow most contractholders to withdraw substantially all of their mutual fund investments while retaining the death benefit coverage in effect at the time of the withdrawal, essentially locking in the death benefit for a particular policy) based on annual election rates that vary from 0% to 13% depending on the net amount at risk for each policy and whether surrender charges apply.

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The assumed mean investment performance ("growth interest rate") for the underlying equity mutual funds for the portion of the liability that is covered by the Company's growth interest rate hedge program is based on the market-observable LIBOR swap curve. The assumed mean investment performance for the remainder of the underlying equity mutual funds considers the Company's GMDB equity hedge program using futures contracts, and is based on the Company's view that short-term interest rates will average 4% over future periods, but considers that current short-term rates are less than 4%. The mean investment performance assumption for the underlying fixed income mutual funds (bonds and money market) is 5% based on a review of historical returns. The investment performance for underlying equity and fixed income mutual funds is reduced by fund fees ranging from 1% to 3% across all funds.

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Market volatility refers to market fluctuation. The volatility assumption is based on a review of historical monthly returns for each key index (e.g. S&P 500) over a period of at least ten years. Volatility represents the dispersion of historical returns compared to the average historical return (standard deviation) for each index. The assumption is 18% to 24%, varying by equity fund type; 5% to 7%, varying by bond fund type; and 0% to 1% for money market funds. These volatility assumptions are used along with the mean investment performance assumption to project future return scenarios.

The discount rate is 5.75%, which is determined based on the underlying and projected yield of the portfolio of assets supporting the GMDB liability.

The claim mortality assumption is 65% to 89% of the 1994 Group Annuity Mortality table, with 1% annual improvement beginning January 1, 2000. The assumption reflects that for certain contracts, a spousal beneficiary is allowed to elect to continue a contract by becoming its new owner, thereby postponing the death claim rather than receiving the death benefit currently. For certain issuers of these contracts, the claim mortality assumption depends on age, gender, and net amount at risk for the policy.

The lapse rate assumption (full surrender of an annuity prior to a contractholder's death) is 0% to 11%, depending on contract type, policy duration and the ratio of the net amount at risk to account value.

Reserve Strengthening: In each of the three years presented, the Company completed its normal review of reserves (including assumptions), and recorded additional other benefits expense to strengthen GMDB reserves. The amounts and primary drivers of the reserve strengthening in each year were:

2012: Reserve strengthening of $43 million ($27 million after-tax) was primarily due to reductions to the lapse rate assumptions, adverse interest rate impacts, and, to a lesser extent, an increase in the volatility and correlation assumptions, partially offset by favorable equity market conditions. The adverse interest rate impacts reflect management's consideration of the anticipated impact of continued low short-term interest rates. This evaluation also led management to lower the mean investment performance for equity funds from 4.75% to 4.00% for those funds not subject to the growth interest rate hedge program.

2011: Reserve strengthening of $70 million ($45 million after-tax) was driven primarily by volatility-related impacts due to turbulent equity market conditions, adverse interest rate impacts, and adverse impacts of overall market declines in the third quarter that include an increase in the provision for expected future partial surrenders and declines in the value of contractholders' non-equity investments.

2010: Reserve strengthening of $52 million pre-tax ($34 million after-tax) was primarily due to adverse interest rate impacts, and to a lesser extent, an update to the lapse assumption for policies that have already taken or may take a significant partial withdrawal.

Activity in future policy benefit reserves for these GMDB contracts was as follows:

(In millions)	**2012**	**2011**	**2010**
Balance at January 1,	$ 1,170	$ 1,138	$ 1,285
Add: Unpaid claims	40	37	36
Less: Reinsurance and other amounts recoverable	53	51	53
Balance at January 1, net	1,157	1,124	1,268
Add: Incurred benefits	17	138	(20)
Less: Paid benefits	102	105	124
Ending balance, net	1,072	1,157	1,124
Less: Unpaid claims	24	40	37
Add: Reinsurance and other amounts recoverable	42	53	51
Balance at December 31,	$ 1,090	$ 1,170	$ 1,138

Benefits paid and incurred are net of ceded amounts. Incurred benefits reflect the favorable or unfavorable impact of a rising or falling equity market on the liability, and include the charges discussed above. Losses or gains have been recorded in other revenues as a result of the GMDB equity and growth interest rate hedge programs to reduce equity market and certain interest rate exposures.

The majority of the Company's exposure arises under annuities that guarantee that the benefit received at death will be no less than the highest historical account value of the related mutual fund investments on a contractholder's anniversary date. Under this type of death benefit, the Company is liable to the extent the highest historical anniversary account value exceeds the fair value of the related mutual

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fund investments at the time of a contractholder's death. Other annuity designs that the Company reinsured guarantee that the benefit received at death will be:

the contractholder's account value as of the last anniversary date (anniversary reset); or

no less than net deposits paid into the contract accumulated at a specified rate or net deposits paid into the contract.

The table below presents the account value, net amount at risk and average attained age of underlying contractholders for guarantees in the event of death, by type of benefit as of December 31. The net amount at risk is the death benefit coverage in force or the amount that the Company would have to pay if all contractholders died as of the specified date, and represents the excess of the guaranteed benefit amount over the fair value

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of the underlying mutual fund investments. This data does not reflect the impacts of reinsurance in place as of December 31, 2012 nor the reinsurance placed on February 4, 2013.

(Dollars in millions, excludes impact of reinsurance ceded)	**2012**	**2011**
Highest anniversary annuity value		
Account value	$ 10,485	$ 10,801
Net amount at risk	$ 3,303	$ 4,487
Average attained age of contractholders (weighted by exposure)	72	71
Anniversary value reset		
Account value	$ 1,183	$ 1,184
Net amount at risk	$ 22	$ 56
Average attained age of contractholders (weighted by exposure)	65	63
Other		
Account value	$ 1,635	$ 1,768
Net amount at risk	$ 693	$ 834
Average attained age of contractholders (weighted by exposure)	71	70
Total		
Account value	$ 13,303	$ 13,753
Net amount at risk	$ 4,018	$ 5,377
Average attained age of contractholders (weighted by exposure)	72	71
Number of contractholders (approx.)	435,000	480,000

The Company has also written reinsurance contracts with issuers of variable annuity contracts that provide annuitants with certain guarantees related to minimum income benefits. All reinsured GMIB policies also have a GMDB benefit reinsured by the Company. See Note 11 for further information.

NOTE 8 Reinsurance

The Company's insurance subsidiaries enter into agreements with other insurance companies to assume and cede reinsurance. Reinsurance is ceded primarily to limit losses from large exposures and to permit recovery of a portion of direct losses. Reinsurance is also used in acquisition and disposition transactions where the underwriting company is not being acquired. Reinsurance does not relieve the originating insurer of liability. The Company regularly evaluates the financial condition of its reinsurers and monitors its concentrations of credit risk.

Supplemental benefits business. The Company had reinsurance recoverables of approximately $402 million as of December 31, 2012 from Great American Life Insurance Company. The life insurance and annuity lines of business written by the acquired legal entities were fully reinsured by the seller prior to the acquisition of their supplemental benefits business by the Company on August 31, 2012. The resulting reinsurance recoverables are secured primarily by fixed maturities whose book value is equal to or greater than 100% of the reinsured policy liabilities. These fixed maturities are held in a trust established for the benefit of the Company.

Retirement benefits business. The Company had reinsurance recoverables of $1.3 billion as of December 31, 2012, and $1.6 billion as of December 31, 2011 from Prudential Retirement Insurance and Annuity Company resulting from the 2004 sale of the retirement benefits business, that was primarily in the form of a reinsurance arrangement. The reinsurance recoverable, that is reduced as the Company's reinsured liabilities are paid or directly assumed by the reinsurer, is secured primarily by fixed maturities equal to or greater than 100% of the reinsured liabilities. These fixed maturities are held in a trust established for the benefit of the Company. As of December 31, 2012, the fair value of trust assets exceeded the reinsurance recoverable.

Individual life and annuity reinsurance. The Company had reinsurance recoverables of $4.0 billion as of December 31, 2012 and $4.2 billion as of December 31, 2011 from The Lincoln National Life Insurance Company and Lincoln Life & Annuity of New York resulting from the 1998 sale of the Company's individual life insurance and annuity business through indemnity reinsurance arrangements. The Lincoln National Life Insurance Company and Lincoln Life & Annuity of New York must maintain a specified

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minimum credit or claims paying rating or they will be required to fully secure the outstanding recoverable balance. As of December 31, 2012, both companies had ratings sufficient to avoid triggering a contractual obligation.

Other Ceded and Assumed Reinsurance

Ceded Reinsurance: Ongoing operations. The Company's insurance subsidiaries have reinsurance recoverables from various reinsurance arrangements in the ordinary course of business for its Global Health Care, Group Disability and Life, and Global Supplemental Benefits segments as well as the corporate-owned life insurance business. Reinsurance recoverables are $345 million as of December 31, 2012, with 16% of the recoverable balance protected by collateral.

The Company reviews its reinsurance arrangements and establishes reserves against the recoverables in the event that recovery is not considered probable. As of December 31, 2012, the Company's recoverables related to these segments were net of a reserve of $4 million.

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Assumed and Ceded reinsurance: Run-off Reinsurance segment. The Company's Run-off Reinsurance operations assumed risks related to GMDB contracts, GMIB contracts, workers' compensation, and personal accident business. The Run-off Reinsurance operations also purchased retrocessional coverage to reduce the risk of loss on these contracts. In December 2010, the Company entered into reinsurance arrangements to transfer the remaining liabilities and administration of the workers' compensation and personal accident businesses to a subsidiary of Enstar Group Limited. Under this arrangement, the new reinsurer also assumes the future risk of collection from prior reinsurers. On February 4, 2013, the Company entered into a reinsurance arrangement related to its GMDB and GMIB contracts. See Note 25 for further details regarding these arrangements.

Liabilities related to GMDB, workers' compensation and personal accident are included in future policy benefits and unpaid claims. Because the GMIB contracts are treated as derivatives under GAAP, the asset related to GMIB is recorded in the Other assets, including other intangibles caption and the liability related to GMIB is recorded in Accounts payable, accrued expenses, and other liabilities on the Company's Consolidated Balance Sheets (see Notes 11 and 24 for additional discussion of the GMIB assets and liabilities).

The reinsurance recoverables for GMDB, workers' compensation, and personal accident total $170 million as of December 31, 2012. Of this amount, approximately 97% are secured by assets in trust or letters of credit.

The Company reviews its reinsurance arrangements and establishes reserves against the recoverables in the event that recovery is not considered probable. As of December 31, 2012, the Company's recoverables related to this segment were net of a reserve of $1 million.

The Company's payment obligations for underlying reinsurance exposures assumed by the Company under these contracts are based on the ceding companies' claim payments. For GMDB, claim payments vary because of changes in equity markets and interest rates, as well as mortality and contractholder behavior. Any of these claim payments can occur many years into the future, and the amount of the ceding companies' ultimate claims, and therefore, the amount of the Company's ultimate payment obligations and corresponding ultimate collection from retrocessionaires, may not be known with certainty for some time.

Summary. The Company's reserves for underlying reinsurance exposures assumed by the Company, as well as for amounts recoverable from reinsurers/retrocessionaires for both ongoing operations and the run-off reinsurance operation, are considered appropriate as of December 31, 2012, based on current information. The Company bears the risk of loss if its retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company.

In the Company's Consolidated Income Statements, Premiums and fees were presented net of ceded premiums, and Total benefits and expenses were presented net of reinsurance recoveries, in the following amounts:

(In millions)	**2012**	**2011**	**2010**
Premiums and Fees			
Short-duration contracts:			
Direct	$ 23,954	$ 17,300	$ 16,492
Assumed	382	158	496
Ceded	(217)	(185)	(187)
	24,119	17,273	16,801
Long-duration contracts:			
Direct	2,234	1,919	1,687
Assumed	86	36	36
Ceded:			
Individual life insurance and annuity business sold	(186)	(203)	(195)
Other	(66)	(59)	(55)
	2,068	1,693	1,473
TOTAL	**$ 26,187**	**$ 18,966**	**$ 18,274**
Reinsurance recoveries			
Individual life insurance and annuity business sold	$ 316	$ 310	$ 321

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Other	201	213	156
TOTAL	**$ 517**	**$ 523**	**$ 477**

The increase in direct premiums in 2012 as compared to 2011 primarily reflects the Company's acquisitions of HealthSpring and Great American Supplemental Benefits as well as the conversion of Vanbreda business from service to insurance contracts in 2012. The increase in assumed premiums in 2012 largely results from the acquisition of FirstAssist. The decrease in assumed premiums in 2011 as compared to 2010 primarily reflects the effect of the Company's exit from a large, low-margin assumed government life insurance program. The effects of reinsurance on written premiums and fees for short-duration contracts were not materially different from the recognized premium and fee amounts shown in the table above.

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NOTE 9 Goodwill, Other Intangibles, and Property and Equipment

Effective December 31, 2012, the Company changed its external reporting segments. See Note 23 for further information. Goodwill primarily relates to the Global Health Care segment ($5.7 billion) and, to a lesser extent, the Global Supplemental Benefits segment ($350 million) and increased during 2012 primarily as a result of the acquisitions of HealthSpring ($2.5 billion) and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik ($300 million).

Activity in Goodwill during 2012 and 2011 was as follows:

(In millions)	**2012**	**2011**
Balance at January 1,	$ 3,164	$ 3,119
Goodwill acquired:		
FirstAssist	7	57
HealthSpring	2,541	-
Great American Supplement Benefits	168	-
Finans Emeklilik	113	-
Goodwill sold:		
Cigna Government Services	-	(6)
Impact of foreign currency translation	8	(6)
Balance at December 31,	$ 6,001	$ 3,164

Other intangible assets were comprised of the following at December 31:

(Dollars in millions)	**Cost**	**Accumulated Amortization**	**Net Carrying Value**	**Weighted Average Amortization Period (Years)**
2012				
Customer relationships	$ 1,278	$ 466	$ 812	10
Other	328	80	248	11
Total reported in other assets, including other intangibles	1,606	546	1,060	
Value of business acquired (reported in deferred policy acquisition costs)	172	2	170	26
Internal-use software (reported in property and equipment)	1,738	1,191	547	5
TOTAL OTHER INTANGIBLE ASSETS	**$ 3,516**	**$ 1,739**	**$ 1,777**	
2011				
Customer relationships	$ 583	$ 313	$ 270	13
Other	127	27	100	12
Total reported in other assets, including other intangibles	710	340	370	
Internal-use software (reported in property and equipment)	1,600	1,054	546	5
TOTAL OTHER INTANGIBLE ASSETS	**$ 2,310**	**$ 1,394**	**$ 916**	

The increase in intangible assets in 2012 relates primarily to the acquisitions of HealthSpring and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik.

Property and equipment was comprised of the following as of December 31:

(Dollars in millions)	**Cost**	**Accumulated Amortization**	**Net Carrying Value**
2012			
Internal-use software	$ 1,738	$ 1,191	$ 547

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Other property and equipment	1,415	842	573
TOTAL PROPERTY AND EQUIPMENT	**$ 3,153**	**$ 2,033**	**$ 1,120**
2011			
Internal-use software	$ 1,600	$ 1,054	$ 546
Other property and equipment	1,285	807	478
TOTAL PROPERTY AND EQUIPMENT	**$ 2,885**	**$ 1,861**	**$ 1,024**

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Depreciation and amortization was comprised of the following for the years ended December 31:

(Dollars in millions)	2012	2011	2010
Internal-use software	$ 209	$ 187	$ 161
Other property and equipment	144	117	99
Value of business acquired (reported in deferred policy acquisition costs)	2	-	-
Other intangibles	205	41	32
TOTAL DEPRECIATION AND AMORTIZATION	**$ 560**	**$ 345**	**$ 292**

The increase in amortization of other intangibles in 2012 relates primarily to the acquisitions of HealthSpring and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik.

The Company estimates annual pre-tax amortization for intangible assets, including internal-use software, over the next five calendar years to be as follows: $415 million in 2013, $368 million in 2014, $312 million in 2015, $262 million in 2016, and $213 million in 2017.

NOTE 10 Pension and Other Postretirement Benefit Plans

A. Pension and Other Postretirement Benefit Plans

The Company and certain of its subsidiaries provide pension, health care and life insurance defined benefits to eligible retired employees, spouses and other eligible dependents through various domestic and foreign plans. The effect of its foreign pension and other postretirement benefit plans is immaterial to the Company's results of operations, liquidity and financial position. Effective July 1, 2009, the Company froze its primary domestic defined benefit pension plans.

The Company measures the assets and liabilities of its domestic pension and other postretirement benefit plans as of December 31. The following table summarizes the projected benefit obligations and assets related to the Company's domestic and international pension and other postretirement benefit plans as of, and for the year ended, December 31:

	Pension Benefits		Other Postretirement Benefits	
(In millions)	2012	2011	2012	2011
Change in benefit obligation				
Benefit obligation, January 1	$ 5,067	$ 4,691	$ 452	$ 444
Service cost	3	2	2	2
Interest cost	198	228	16	20
(Gain) loss from past experience	283	453	(2)	16
Benefits paid from plan assets	(256)	(273)	(3)	(2)
Benefits paid - other	(28)	(34)	(23)	(28)
Benefit obligation, December 31	5,267	5,067	442	452
Change in plan assets				
Fair value of plan assets, January 1	3,298	3,163	22	23
Actual return on plan assets	370	156	1	1
Benefits paid	(256)	(273)	(3)	(2)
Contributions	253	252	-	-
Fair value of plan assets, December 31	3,665	3,298	20	22
Funded Status	$ (1,602)	$ (1,769)	$ (422)	$ (430)

The postretirement benefits liability adjustment included in accumulated other comprehensive loss consisted of the following as of December 31:

	Pension Benefits	Other Postretirement Benefits

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(In millions)	2012	2011	2012	2011
Unrecognized net loss	$ (2,450)	$ (2,331)	$ (28)	$ (30)
Unrecognized prior service cost	(5)	(5)	23	35
POSTRETIREMENT BENEFITS LIABILITY ADJUSTMENT	**$ (2,455)**	**$ (2,336)**	**$ (5)**	**$ 5**

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During 2012, the Company's postretirement benefits liability adjustment increased by $129 million pre-tax ($92 million after-tax) resulting in a decrease to shareholders' equity. The increase in the liability was primarily due to a decrease in the discount rate, partially offset by actual investment returns greater than expected in 2012.

Pension benefits. The Company's pension plans were underfunded by $1.6 billion in 2012 and $1.8 billion in 2011 and had related accumulated benefit obligations of $5.3 billion as of December 31, 2012 and $5.1 billion as of December 31, 2011.

The Company funds its qualified pension plans at least at the minimum amount required by the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006. For 2013, the Company expects to make minimum required and voluntary contributions totaling approximately $250 million. Future years' contributions will ultimately be based on a wide range of factors including but not limited to asset returns, discount rates, and funding targets.

Components of net pension cost for the years ended December 31 were as follows:

(In millions)	**2012**	**2011**	**2010**
Service cost	$ 3	$ 2	$ 2
Interest cost	198	228	240
Expected long-term return on plan assets	(270)	(267)	(253)
Amortization of:			
Net loss from past experience	58	38	28
Settlement loss	6	-	-
NET PENSION COST	**$ (5)**	**$ 1**	**$ 17**

The Company expects to recognize pre-tax losses of $75 million in 2013 from amortization of past experience. This estimate is based on a weighted average amortization period for the frozen and inactive plans of approximately 28 years, that is based on the average expected remaining life of plan participants.

Other postretirement benefits. Unfunded retiree health benefit plans had accumulated benefit obligations of $294 million at December 31, 2012, and $302 million at December 31, 2011. Retiree life insurance plans had accumulated benefit obligations of $148 million as of December 31, 2012 and $150 million as of December 31, 2011.

Components of net other postretirement benefit cost for the years ended December 31 were as follows:

(In millions)	**2012**	**2011**	**2010**
Service cost	$ 2	$ 2	$ 1
Interest cost	16	20	22
Expected long-term return on plan assets	(1)	(1)	(1)
Amortization of:			
Prior service cost	(12)	(16)	(18)
NET OTHER POSTRETIREMENT BENEFIT COST	**$ 5**	**$ 5**	**$ 4**

The Company expects to recognize in 2013 pre-tax gains of $9 million related to amortization of prior service cost and no pre-tax losses from amortization of past experience. The original amortization period is based on an average remaining service period of active employees associated with the other postretirement benefit plans of approximately 11 years. The weighted average remaining amortization period for prior service cost is approximately 2.5 years.

The estimated rate of future increases in the per capita cost of health care benefits is 7.5% in 2013, decreasing by 0.5% per year to 5% in 2018 and beyond. This estimate reflects the Company's current claim experience and management's estimate that rates of growth will decline in the future. A 1% increase or decrease in the estimated rate would have changed 2012 reported amounts as follows:

(In millions)	**Increase**	**Decrease**
Effect on postretirement benefit obligation	$ 12	$ 10

Plan assets. The Company's current target investment allocation percentages (37% equity securities, 30% fixed income, 15% securities partnerships, 10% hedge funds and 8% real estate) are developed by management as guidelines, although the fair values of each asset

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category are expected to vary as a result of changes in market conditions. The pension plan asset portfolio has continued to include a significant allocation of equity securities, consisting of domestic and international investments, in an effort to earn a higher rate of return on pension plan investments over the long-term payout period of the pension benefit obligations. As funding levels improve, the Company would expect to gradually reduce the allocation to equity securities and move into fixed income to mitigate the volatility in returns, while also providing adequate liquidity to fund benefit distributions. The timing of any updates in allocation is not certain.

As of December 31, 2012, pension plan assets included $3.4 billion invested in the separate accounts of Connecticut General Life Insurance Company ("CGLIC") and Life Insurance Company of North America, that are subsidiaries of the Company, as well as an additional $300 million invested directly in funds offered by the buyer of the retirement benefits business.

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The fair values of plan assets by category and by the fair value hierarchy as defined by GAAP are as follows. See Note 11 for a description of how fair value is determined, including the level within the fair value hierarchy and the procedures the Company uses to validate fair value measurements.

December 31, 2012 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	$ -	$ 4	$ -	$ 4
Corporate	-	416	27	443
Mortgage and other asset-backed	-	8	5	13
Fund investments and pooled separate accounts [(1)]	-	519	3	522
TOTAL FIXED MATURITIES	**-**	**947**	**35**	**982**
Equity securities:				
Domestic	1,202	4	10	1,216
International, including funds and pooled separate accounts [(1)]	158	149	-	307
TOTAL EQUITY SECURITIES	**1,360**	**153**	**10**	**1,523**
Real estate and mortgage loans, including pooled separate accounts [(1)]	-	-	351	351
Securities partnerships	-	-	328	328
Hedge funds	-	-	327	327
Guaranteed deposit account contract	-	-	47	47
Cash equivalents	-	107	-	107
TOTAL PLAN ASSETS AT FAIR VALUE	**$ 1,360**	**$ 1,207**	**$ 1,098**	**$ 3,665**

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

December 31, 2011 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	$ -	$ 5	$ -	$ 5
Corporate	-	332	7	339
Mortgage and other asset-backed	-	8	2	10
Fund investments and pooled separate accounts [(1)]	-	546	3	549
TOTAL FIXED MATURITIES	**-**	**891**	**12**	**903**
Equity securities:				
Domestic	1,153	1	14	1,168

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International, including funds and pooled separate accounts [1]		141		137	-	278
TOTAL EQUITY SECURITIES		**1,294**		**138**	**14**	**1,446**
Real estate and mortgage loans, including pooled separate accounts [1]		-		-	303	303
Securities partnerships		-		-	314	314
Hedge Fund		-		-	148	148
Guaranteed deposit account contract		-		-	39	39
Cash equivalents		-		145	-	145
TOTAL PLAN ASSETS AT FAIR VALUE	**$**	**1,294**	**$**	**1,174**	**$ 830**	**$3,298**

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

Plan assets in Level 1 include exchange-listed equity securities. Level 2 assets primarily include:

fixed income and international equity funds priced using their daily net asset value that is the exit price; and

fixed maturities valued using recent trades of similar securities or pricing models as described below.

Because many fixed maturities do not trade daily, fair values are often derived using recent trades of securities with similar features and characteristics. When recent trades are not available, pricing models are used to determine these prices. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads

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over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset.

Plan assets classified in Level 3 include securities partnerships, equity real estate and hedge funds generally valued based on the pension plan's ownership share of the equity of the investee including changes in the fair values of its underlying investments.

The following table summarizes the changes in pension plan assets classified in Level 3 for the years ended December 31, 2012 and December 31, 2011. Actual return on plan assets in this table may include changes in fair value that are attributable to both observable and unobservable inputs.

(In millions)	Fixed Maturities & Equity Securities	Real Estate & Mortgage Loans	Securities Partnerships	Hedge Funds	Guaranteed Deposit Account Contract	Total
Balance at January 1, 2012	$ 26	$ 303	$ 314	$ 148	$ 39	$ 830
Actual return on plan assets:						
Assets still held at the reporting date	-	38	18	10	3	69
Assets sold during the period	-	-	-	-	-	-
TOTAL ACTUAL RETURN ON PLAN ASSETS	**-**	**38**	**18**	**10**	**3**	**69**
Purchases, sales, settlements, net	5	11	(4)	169	5	186
Transfers into/out of Level 3	13	-	-	-	-	13
Balance at December 31, 2012	$ 44	$ 352	$ 328	$ 327	$ 47	$1,098

(In millions)	Fixed Maturities & Equity Securities	Real Estate & Mortgage Loans	Securities Partnerships	Hedge Fund	Guaranteed Deposit Account Contract	Total
Balance at January 1, 2011	$ 46	$ 240	$ 347	$ -	$ 24	$ 657
Actual return on plan assets:						
Assets still held at the reporting date	1	44	66	(2)	3	112
Assets sold during the period	18	-	-	-	-	18
TOTAL ACTUAL RETURN ON PLAN ASSETS	**19**	**44**	**66**	**(2)**	**3**	**130**
Purchases, sales, settlements, net	(33)	21	(99)	150	12	51
Transfers into/out of Level 3	(6)	(2)	-	-	-	(8)
Balance at December 31, 2011	$ 26	$ 303	$ 314	$ 148	$ 39	$ 830

The assets related to other postretirement benefit plans are invested in deposit funds with interest credited based on fixed income investments in the general account of CGLIC. As there are significant unobservable inputs used in determining the fair value of these assets, they are classified as Level 3. During 2012, these assets earned a return of $1 million, offset by a net withdrawal from the fund of $3 million, while during 2011, they earned a return of $1 million, offset by a net withdrawal of $2 million.

Assumptions for pension and other postretirement benefit plans. Management determined the present value of the projected benefit obligation and the accumulated other postretirement benefit obligation and related benefit costs based on the following weighted average assumptions as of and for the years ended December 31:

	2012	2011
Discount rate:		

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Pension benefit obligation	3.50%	4.00%
Other postretirement benefit obligation	3.25%	3.75%
Pension benefit cost	4.00%	5.00%
Other postretirement benefit cost	3.75%	4.75%
Expected long-term return on plan assets:		
Pension benefit cost	8.00%	8.00%
Other postretirement benefit cost	5.00%	5.00%

In measuring the 2012 benefit obligations, the Company set discount rates by applying actual annualized yields at various durations from the Citigroup Above-Median Pension Liability curve to the expected cash flows of the postretirement benefits liabilities. Prior to 2012, the Company used the broader Cititgroup Pension Liability curve. The Company believes that the Citigroup Above-Median Pension Liability curve is more representative of the yields that the Company is able to achieve in its plan asset investment strategy. The curve uses an array of bonds in various industries throughout the domestic market for high quality bonds, but only selects those for the curve that have an above

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median return at each duration. As with the broader curve, Citigroup monitors the bond portfolio to ensure that only high quality issues are included. In setting its discount rate for 2012, the Company reviewed alternative indices and determined that they were not materially different than the result produced by the Citigroup Above-Median curve.

Expected long-term rates of return on plan assets were developed considering actual long-term historical returns, expected long-term market conditions, plan asset mix and management's investment strategy, that continues a significant allocation to domestic and foreign equity securities as well as real estate, securities partnerships and hedge funds. Expected long-term market conditions take into consideration certain key macroeconomic trends including expected domestic and foreign GDP growth, employment levels and inflation. Based on the Company's current outlook, the expected return assumption is considered reasonable.

To measure pension costs, the Company uses a market-related asset valuation for domestic pension plan assets invested in non-fixed income investments. The market-related value of these pension assets recognizes the difference between actual and expected long-term returns in the portfolio over 5 years, a method that reduces the short-term impact of market fluctuations on pension cost. At December 31, 2012, the market-related asset value was approximately $3.5 billion compared with a market value of approximately $3.6 billion.

Benefit payments. The following benefit payments, including expected future services, are expected to be paid in:

(In millions)		Pension Benefits		Other Postretirement Benefits
2013	$	396	$	35
2014	$	342	$	36
2015	$	333	$	36
2016	$	331	$	35
2017	$	332	$	34
2018-2022	$	1,630	$	149

B. 401(k) Plans

The Company sponsors a 401(k) plan in which the Company matches a portion of employees' pre-tax contributions. Another 401(k) plan with an employer match was frozen in 1999. Participants in the active plan may invest in various funds that invest in the Company's common stock, several diversified stock funds, a bond fund or a fixed-income fund. In conjunction with the action to freeze the domestic defined benefit pension plans, effective January 1, 2010, the Company increased its matching contributions to 401(k) plan participants.

The Company may elect to increase its matching contributions if the Company's annual performance meets certain targets. A substantial amount of the Company's matching contributions are invested in the Company's common stock. The Company's expense for these plans was $78 million for 2012, $72 million for 2011 and $69 million for 2010.

NOTE 11 Fair Value Measurements

The Company carries certain financial instruments at fair value in the financial statements including fixed maturities, equity securities, short-term investments and derivatives. Other financial instruments are measured at fair value under certain conditions, such as when impaired.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

The Company's financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by GAAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level of input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

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The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

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The Company is responsible for determining fair value, as well as the appropriate level within the fair value hierarchy, based on the significance of unobservable inputs. The Company reviews methodologies and processes of third-party pricing services and compares prices on a test basis to those obtained from other external pricing sources or internal estimates. The Company performs ongoing analyses of both prices received from third-party pricing services and those developed internally to determine that they represent appropriate estimates of fair value. These analyses include reviewing to ensure that prices do not become stale and whether changes from prior valuations are reasonable or require additional review. The Company also performs sample testing of sales values to confirm the accuracy of prior fair value estimates. Exceptions identified during these processes indicate that adjustments to prices are infrequent and do not significantly impact valuations.

Financial Assets and Financial Liabilities Carried at Fair Value

The following tables provide information as of December 31, 2012 and December 31, 2011 about the Company's financial assets and liabilities carried at fair value. Similar disclosures for separate account assets, that are also recorded at fair value on the Company's Consolidated Balance Sheets, are provided separately as gains and losses related to these assets generally accrue directly to policyholders. In addition, Note 10 contains similar disclosures for the Company's pension plan assets.

December 31, 2012 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Financial assets at fair value:				
Fixed maturities:				
Federal government and agency	$ 156	$ 746	$ -	$ 902
State and local government	-	2,437	-	2,437
Foreign government	-	1,298	24	1,322
Corporate	-	11,201	695	11,896
Federal agency mortgage-backed	-	122	-	122
Other mortgage-backed	-	88	1	89
Other asset-backed	-	340	597	937
Total fixed maturities (1)	156	16,232	1,317	17,705
Equity securities	4	73	34	111
Subtotal	160	16,305	1,351	17,816
Short-term investments	-	154	-	154
GMIB assets (2)	-	-	622	622
Other derivative assets (3)	-	41	-	41
TOTAL FINANCIAL ASSETS AT FAIR VALUE, EXCLUDING SEPARATE ACCOUNTS	**$ 160**	**$ 16,500**	**$ 1,973**	**$ 18,633**
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,170	$ 1,170
Other derivative liabilities (3)	-	31	-	31
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**$ -**	**$ 31**	**$ 1,170**	**$ 1,201**

(1)

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Fixed maturities included $875 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $108 million of appreciation for securities classified in Level 3.

(2) *The GMIB assets represent retrocessional contracts in place from two external reinsurers that cover 55% of the exposures on these contracts. Effective February 4, 2013, the Company reinsured the remaining 45% of the exposures on these contracts.*

(3) *Other derivative assets included $5 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $36 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.*

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December 31, 2011 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Financial assets at fair value:				
Fixed maturities:				
Federal government and agency	$ 217	$ 738	$ 3	$ 958
State and local government	-	2,456	-	2,456
Foreign government	-	1,251	23	1,274
Corporate	-	10,132	381	10,513
Federal agency mortgage-backed	-	9	-	9
Other mortgage-backed	-	79	1	80
Other asset-backed	-	363	564	927
Total fixed maturities (1)	217	15,028	972	16,217
Equity securities	3	67	30	100
Subtotal	220	15,095	1,002	16,317
Short-term investments	-	225	-	225
GMIB assets (2)	-	-	712	712
Other derivative assets (3)	-	45	-	45
TOTAL FINANCIAL ASSETS AT FAIR VALUE, EXCLUDING SEPARATE ACCOUNTS	**$ 220**	**$ 15,365**	**$ 1,714**	**$17,299**
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,333	$ 1,333
Other derivative liabilities (3)	-	30	-	30
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	**$ -**	**$ 30**	**$ 1,333**	**$ 1,363**

(1) *Fixed maturities included $826 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $115 million of appreciation for securities classified in Level 3.*

(2) *The GMIB assets represent retrocessional contracts in place from two external reinsurers which cover 55% of the exposures on these contracts.*

(3) *Other derivative assets included $10 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $35 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.*

Level 1 Financial Assets

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.

Assets in Level 1 include actively-traded U.S. government bonds and exchange-listed equity securities. Given the narrow definition of Level 1 and the Company's investment asset strategy to maximize investment returns, a relatively small portion of the Company's investment assets are classified in this category.

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Level 2 Financial Assets and Financial Liabilities

Inputs for instruments classified in Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant.

Fixed maturities and equity securities. Approximately 91% of the Company's investments in fixed maturities and equity securities are classified in Level 2 including most public and private corporate debt and equity securities, federal agency and municipal bonds, non-government mortgage-backed securities and preferred stocks. Because many fixed maturities do not trade daily, third-party pricing services and internal methods often use recent trades of securities with similar features and characteristics. When recent trades are not available, pricing models are used to determine these prices. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset. Typical inputs and assumptions to pricing models include, but are not limited to, a combination of benchmark yields, reported trades, issuer spreads, liquidity, benchmark securities, bids, offers, reference data, and industry and economic events. For mortgage-backed securities, inputs and assumptions may also include characteristics of the issuer, collateral attributes, prepayment speeds and credit rating.

Nearly all of these instruments are valued using recent trades or pricing models. Less than 1% of the fair value of investments classified in Level 2 represents foreign bonds that are valued, consistent with local market practice, using a single unadjusted market-observable input derived by averaging multiple broker-dealer quotes.

Short-term investments are carried at fair value, that approximates cost. On a regular basis the Company compares market prices for these securities to recorded amounts to validate that current carrying amounts approximate exit prices. The short-term nature of the investments and corroboration of the reported amounts over the holding period support their classification in Level 2.

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Other derivatives classified in Level 2 represent over-the-counter instruments such as interest rate and foreign currency swap contracts. Fair values for these instruments are determined using market observable inputs including forward currency and interest rate curves and widely published market observable indices. Credit risk related to the counterparty and the Company is considered when estimating the fair values of these derivatives. However, the Company is largely protected by collateral arrangements with counterparties, and determined that no adjustment for credit risk was required as of December 31, 2012 or December 31, 2011. The nature and use of these other derivatives are described in Note 13.

Level 3 Financial Assets and Financial Liabilities

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and are significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Company classifies certain newly-issued, privately-placed, complex or illiquid securities, as well as assets and liabilities relating to GMIB, in Level 3.

Fixed maturities and equity securities. Approximately 8% of fixed maturities and equity securities are priced using significant unobservable inputs and classified in this category, including:

(In millions)		December 31, 2012		December 31, 2011
Other asset and mortgage-backed securities - valued using pricing models	$	598	$	565
Corporate and government fixed maturities - valued using pricing models		596		335
Corporate fixed maturities - valued at transaction price		123		72
Equity securities - valued at transaction price		34		30
TOTAL	**$**	**1,351**	**$**	**1,002**

Fair values of other asset and mortgage-backed securities, corporate and government fixed maturities are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. For other asset and mortgage-backed securities, inputs and assumptions to pricing may also include collateral attributes and prepayment speeds. Recent trades in the subject security or similar securities are assessed when available, and the Company may also review published research, as well as the issuer's financial statements, in its evaluation. Approximately 10% of fixed maturities classified in level 3 represent single, unadjusted, non-binding broker quotes that are not considered market observable. Certain subordinated corporate fixed maturities and private equity investments, representing approximately 10% of securities included in level 3, are valued at transaction price in the absence of market data indicating a change in the estimated fair values.

Quantitative Information about Unobservable Inputs

The following table summarizes the fair value and significant unobservable inputs used in pricing Level 3 securities that were developed directly by the Company as of December 31, 2012. The range and weighted average basis point amounts reflect the Company's best estimates of the unobservable adjustments a market participant would make to the market observable spreads (adjustment to discount rates) used to calculate the fair values in a discounted cash flow analysis.

Other asset and mortgage-backed securities. The significant unobservable inputs used to value the following other asset and mortgage-backed securities are liquidity and weighting of credit spreads. An adjustment for liquidity is made as of the measurement date when there is limited trading activity for the security that considers current market conditions, issuer circumstances and complexity of the security structure. An adjustment to weight credit spreads is needed to value a more complex bond structure with multiple underlying collateral with no standard market valuation technique. The weighting of credit spreads is primarily based on the underlying collateral's characteristics and their proportional cash flows supporting the bond obligations. The resulting wide range of unobservable adjustments in the table below is due to the varying liquidity and quality of the underlying collateral, ranging from high credit quality to below investment grade.

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Corporate and government fixed maturities. The significant unobservable input used to value the following corporate and government fixed maturities is an adjustment for liquidity. When there is limited trading activity for the security, an adjustment is needed to reflect current market conditions and issuer circumstances.

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PART II

ITEM 8 Financial Statements and Supplementary Data

As of December 31, 2012 *(In millions except basis points)*		**Fair Value**	**Unobservable Input**	**Unobservable Adjustment to Discount Rates Range (Weighted Average) in Basis Points**
Other asset and mortgage-backed securities	$	584	Liquidity	60 - 410 (140)
			Weighting of credit spreads	50 - 4,540 (410)
Corporate and government fixed maturities	$	439	Liquidity	20 - 640 (190)

Significant increases in any of these inputs would result in a lower fair value measurement while decreases in these inputs would result in a higher fair value measurement. Generally, the unobservable inputs are not interrelated and a change in the assumption used for one unobservable input is not accompanied by a change in the other unobservable input. The table does not include all of the Level 3 securities because information about specific unobservable inputs used in pricing all of these securities was not reasonably available to the Company. See preceding discussion regarding the Company's valuation processes and controls.

Guaranteed minimum income benefit contracts. The Company reports liabilities and assets as derivatives at fair value because the cash flows of these contracts are affected by equity markets and interest rates but are without significant life insurance risk and are settled in lump sum payments. The Company estimates the fair value of the assets and liabilities for GMIB contracts using assumptions regarding capital markets (including market returns, interest rates and market volatilities of the underlying equity and bond mutual fund investments), future annuitant behavior (including mortality, lapse, and annuity election rates), and non-performance risk, as well as risk and profit charges. As certain assumptions used to estimate fair values for these contracts are largely unobservable, the Company classifies GMIB assets and liabilities in Level 3. The Company considered the following in determining the view of a hypothetical market participant:

- that the most likely transfer of these assets and liabilities would be through a reinsurance transaction with an independent insurer; and
- that because this block of contracts is in run-off mode, an insurer looking to acquire these contracts would have similar existing contracts with related administrative and risk management capabilities

These GMIB assets and liabilities are calculated with a complex internal model using many scenarios to determine the fair value of net amounts estimated to be paid, less the fair value of net future premiums estimated to be received, adjusted for risk and profit charges that the Company anticipates a hypothetical market participant would require to assume this business. Net amounts estimated to be paid represent the excess of the anticipated value of the income benefits over the values of the annuitants' accounts at the time of annuitization. Assumptions related to future annuitant behavior reflect the Company's belief that a hypothetical market participant would consider the actual and expected experience of the Company as well as other relevant and available industry resources in setting policyholder behavior assumptions. The significant assumptions used to value the GMIB assets and liabilities as of December 31, 2012 were as follows:

Assumptions based on observable inputs:

- The market return and discount rate assumptions are based on the market-observable LIBOR swap curve.
- The projected interest rate used to calculate the reinsured income benefits is indexed to the 7-year Treasury Rate at the time of annuitization (claim interest rate) based on contractual terms. That rate was 1.18% at December 31, 2012 and must be projected for future time periods. These projected rates vary by economic scenario and are determined by an interest rate model using current interest rate curves and the prices of instruments available in the market including various interest rate caps and zero-coupon bonds. For a subset of the business, there is a contractually guaranteed floor of 3% for the claim interest rate.
- The market volatility assumptions for annuitants' underlying mutual fund investments that are modeled based on the S&P 500, Russell 2000 and NASDAQ Composite are based on the market-implied volatility for these indices for three to seven years grading to historical volatility levels thereafter. For the remaining 50% of underlying mutual fund investments modeled using other indices (with insufficient market-observable data), volatility is based on the average historical level for each index over the past 10 years. Using this approach, volatility ranges from 18% to 28% for equity funds, 6% to 8% for bond funds, and 0% to 1% for money market funds.

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Assumptions based on unobservable inputs:

The mortality assumption is 70% of the 1994 Group Annuity Mortality table, with 1% annual improvement beginning January 1, 2000.

The annual lapse rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts, ranges from 0% to 12% at December 31, 2012, and depends on the time since contract issue and the relative value of the guarantee. The weighted average annual lapse rate is 1.8%.

The annual annuity election rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts and depends on the annuitant's age, the relative value of the guarantee and whether a contractholder has had a previous opportunity to elect the benefit. Immediately after the expiration of the waiting period, the assumed probability that an individual will annuitize their variable annuity contract is up to 80%. For the second and subsequent annual opportunities to elect the benefit, the assumed probability of election is up to 20%. The weighted average annual annuity election rate is 9%.

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The nonperformance risk adjustment is incorporated by adding spread to the discount rate in the calculation of both (1) the GMIB liability to reflect a hypothetical market participant's view of the risk of the Company not fulfilling its GMIB obligations, and (2) the GMIB asset to reflect a hypothetical market participant's view of the reinsurers' credit risk, after considering collateral. The estimated market-implied spread is company-specific for each party involved to the extent that company-specific market data is available and is based on industry averages for similarly-rated companies when company-specific data is not available. The spread is impacted by the credit default swap spreads of the specific parent companies, adjusted to reflect subsidiaries' credit ratings relative to their parent company and any available collateral. The additional spread over LIBOR incorporated into the discount rate ranged from 5 to 140 basis points for the GMIB liability with a weighted average of 55 basis points and ranged from 15 to 100 basis points for the GMIB reinsurance asset with a weighted average of 65 basis points for that portion of the interest rate curve most relevant to these policies.

The risk and profit charge assumption is based on the Company's estimate of the capital and return on capital that would be required by a hypothetical market participant. The assumed return on capital is 10% after-tax.

The Company regularly evaluates each of the assumptions used in establishing these assets and liabilities by considering how a hypothetical market participant would set assumptions at each valuation date. Capital markets assumptions are expected to change at each valuation date reflecting currently observable market conditions. Other assumptions may also change based on a hypothetical market participant's view of actual experience as it emerges over time or other factors that impact the net liability. The significant unobservable inputs used in the fair value measurement of the GMIB assets and liabilities are lapse rates, annuity election rates, and spreads used to calculate nonperformance risk. Significant decreases in assumed lapse rates or spreads used to calculate nonperformance risk, or increases in assumed annuity election rates would result in higher fair value measurements. Generally, a change in one of these assumptions is not necessarily accompanied by a change in another assumption.

GMIB liabilities are reported in the Company's Consolidated Balance Sheets in Accounts payable, accrued expenses and other liabilities. GMIB assets associated with these contracts represent net receivables in connection with reinsurance that the Company has purchased from two external reinsurers and are reported in the Company's Consolidated Balance Sheets in Other assets, including other intangibles.

Changes in Level 3 Financial Assets and Financial Liabilities Carried at Fair Value

The following tables summarize the changes in financial assets and financial liabilities classified in Level 3 for the years ended December 31, 2012 and 2011. These tables exclude separate account assets as changes in fair values of these assets accrue directly to policyholders. Gains and losses reported in this table may include net changes in fair value that are attributable to both observable and unobservable inputs.

(In millions)	Fixed Maturities & Equity Securities	GMIB Assets	GMIB Liabilities	GMIB Net
Balance at January 1, 2012	$ 1,002	$ 712	$ (1,333)	$ (621)
Gains (losses) included in shareholders' net income:				
GMIB fair value gain/(loss)	-	(55)	96	41
Other	13	-	-	-
Total gains (losses) included in shareholders' net income	13	(55)	96	41
Gains included in other comprehensive income	8	-	-	-
Losses required to adjust future policy benefits for settlement annuities [(1)]	(10)	-	-	-
Purchases, issuances, settlements:				
Purchases	188	-	-	-
Sales	(1)	-	-	-
Settlements	(88)	(35)	67	32

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Total purchases, sales and settlements	99	(35)	67	32
Transfers into/(out of) Level 3:				
Transfers into Level 3	283	-	-	-
Transfers out of Level 3	(44)	-	-	-
Total transfers into/(out of) Level 3	239	-	-	-
Balance at December 31, 2012	$ 1,351	$ 622	$ (1,170)	$ (548)
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	$ (1)	$ (55)	$ 96	$ 41

(1) Amounts do not accrue to shareholders.

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(In millions)		Fixed Maturities & Equity Securities		GMIB Assets		GMIB Liabilities		GMIB Net
Balance at January 1, 2011	$	933	$	480	$	(903)	$	(423)
Gains (losses) included in shareholders' net income:								
GMIB fair value gain/(loss)		-		270		(504)		(234)
Other		10		-		-		-
Total gains (losses) included in shareholders' net income		10		270		(504)		(234)
Gains included in other comprehensive income		7		-		-		-
Gains required to adjust future policy benefits for settlement annuities (1)		41		-		-		-
Purchases, issuances, settlements:								
Purchases		129		-		-		-
Sales		(20)		-		-		-
Settlements		(61)		(38)		74		36
Total purchases, sales, and settlements		48		(38)		74		36
Transfers into/(out of) Level 3:								
Transfers into Level 3		81		-		-		-
Transfers out of Level 3		(118)		-		-		-
Total transfers into/(out of) Level 3		(37)		-		-		-
Balance at December 31, 2011	$	1,002	$	712	$	(1,333)	$	(621)
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	$	6	$	270	$	(504)	$	(234)

(1) Amounts do not accrue to shareholders.

As noted in the tables above, total gains and losses included in shareholders' net income are reflected in the following captions in the Consolidated Statements of Income:

Realized investment gains (losses) and net investment income for amounts related to fixed maturities and equity securities; and

GMIB fair value (gain) loss for amounts related to GMIB assets and liabilities.

In the tables above, gains and losses included in other comprehensive income are reflected in Net unrealized appreciation (depreciation) on securities in the Consolidated Statements of Other Comprehensive Income.

Reclassifications impacting Level 3 financial instruments are reported as transfers into or out of the Level 3 category as of the beginning of the quarter in which the transfer occurs. Therefore gains and losses in income only reflect activity for the quarters the instrument was classified in Level 3.

Transfers into or out of the Level 3 category occur when unobservable inputs, such as the Company's best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. For the years ended December 31, 2012 and 2011, transfer activity between Level 3 and Level 2 primarily reflects changes in the level of unobservable inputs used to value certain public and private corporate bonds, principally related to liquidity of the securities and credit risk of the issuers.

Because GMIB reinsurance arrangements remain in effect at the reporting date, the Company has reflected the total gain or loss for the period as the total gain or loss included in income attributable to instruments still held at the reporting date. However, the Company reduces the GMIB assets and liabilities resulting from these reinsurance arrangements when annuitants lapse, die, elect their benefit, or reach the age after which the right to elect their benefit expires.

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Under FASB's guidance for fair value measurements, the Company's GMIB assets and liabilities are expected to be volatile in future periods because the underlying capital markets assumptions will be based largely on market observable inputs at the close of each reporting period including interest rates and market implied volatilities.

Beginning in February 2011, the Company implemented a dynamic equity hedge program to reduce a portion of the equity market exposures related to GMIB contracts ("GMIB equity hedge program") by entering into exchange-traded futures contracts. The Company also entered into a dynamic interest rate hedge program that reduces a portion of the interest rate exposure related to GMIB contracts ("GMIB growth interest rate hedge program") using LIBOR swap contracts and exchange-traded treasury futures contracts. In June 2012, the GMIB equity hedge program was expanded. These hedges were terminated after February 4, 2013 as a result of the reinsurance agreement for the remaining 45% of the risk. See Notes 25 and 13 for further information.

GMIB fair value gains of $41 million for 2012 were primarily due to the effect of increases in underlying account values due to favorable equity markets, updates in the claim exposure calculation based on a review of actual claim amounts compared to projected values in the fair value model and a reduction in the annuitization rates. These favorable effects were partially offset by a reduction in lapse rates and general declines in interest rates.

GMIB fair value losses of $234 million for 2011 were primarily due to a decline in both the interest rate used for projecting claim exposure (7-year Treasury rates) and the rate used for projecting market returns and discounting (LIBOR swap curve).

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Separate account assets

Fair values and changes in the fair values of separate account assets generally accrue directly to the policyholders and are excluded from the Company's revenues and expenses. At December 31, separate account assets were as follows:

2012 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Guaranteed separate accounts (See Note 24)	$ 245	$ 324	$ -	$ 569
Non-guaranteed separate accounts [(1)]	1,925	4,258	1,005	7,188
TOTAL SEPARATE ACCOUNT ASSETS	**$ 2,170**	**$ 4,582**	**$ 1,005**	**$ 7,757**

(1) *As of December 31, 2012, non-guaranteed separate accounts included $3.4 billion in assets supporting the Company's pension plans, including $956 million classified in Level 3.*

2011 *(In millions)*	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Guaranteed separate accounts (See Note 24)	$ 249	$ 1,439	$ -	$ 1,688
Non-guaranteed separate accounts [(1)]	1,804	3,851	750	6,405
TOTAL SEPARATE ACCOUNT ASSETS	**$ 2,053**	**$ 5,290**	**$ 750**	**$ 8,093**

(1) *As of December 31, 2011, non-guaranteed separate accounts included $3.0 billion in assets supporting the Company's pension plans, including $702 million classified in Level 3.*

Separate account assets in Level 1 include exchange-listed equity securities. Level 2 assets primarily include:

corporate and structured bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates as described above; and

actively-traded institutional and retail mutual fund investments and separate accounts priced using the daily net asset value that is the exit price.

Separate account assets classified in Level 3 include investments primarily in securities partnerships, real estate and hedge funds generally valued based on the separate account's ownership share of the equity of the investee including changes in the fair values of its underlying investments.

The following tables summarize the change in separate account assets reported in Level 3 for the years ended December 31, 2012 and 2011.

(In millions)	
Balance at January 1, 2012	$ 750
Policyholder gains [(1)]	55
Purchases, issuances, settlements:	
Purchases	283
Sales	(6)
Settlements	(90)
Total purchases, sales and settlements	187
Transfers into/(out of) Level 3:	
Transfers into Level 3	17

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Transfers out of Level 3	(4)
Total transfers into/(out of) Level 3:	13
Balance at December 31, 2012	$ 1,005

(1) *Included in this amount are gains of $49 million attributable to instruments still held at the reporting date.*

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(In millions)		
Balance at January 1, 2011	$	594
Policyholder gains [(1)]		114
Purchases, issuances, settlements:		
Purchases		257
Sales		(51)
Settlements		(152)
Total purchases, sales and settlements		54
Transfers into/(out of) Level 3:		
Transfers into Level 3		4
Transfers out of Level 3		(16)
Total transfers into/(out of) Level 3:		(12)
Balance at December 31, 2011	$	750

(1) Included in this amount are gains of $96 million attributable to instruments still held at the reporting date.

Assets and Liabilities Measured at Fair Value under Certain Conditions

Some financial assets and liabilities are not carried at fair value each reporting period, but may be measured using fair value only under certain conditions, such as investments in real estate entities and commercial mortgage loans when they become impaired. During 2012, impaired commercial mortgage loans representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $7 million after-tax.

During 2011, impaired commercial mortgage loans and real estate entities representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $15 million after-tax.

Fair Value Disclosures for Financial Instruments Not Carried at Fair Value

Most financial instruments that are subject to fair value disclosure requirements are carried in the Company's Consolidated Financial Statements at amounts that approximate fair value. The following table provides the fair values and carrying values of the Company's financial instruments not recorded at fair value that are subject to fair value disclosure requirements at December 31, 2012 and December 31, 2011.

(In millions)	Classification in Fair Value Hierarchy	December 31, 2012		December 31, 2011	
		Fair Value	Carrying Value	Fair Value	Carrying Value
Commercial mortgage loans	Level 3	$ 2,999	$ 2,851	$ 3,380	$ 3,301
Contractholder deposit funds, excluding universal life products	Level 3	$ 1,082	$ 1,056	$ 1,056	$ 1,035
Long-term debt, including current maturities, excluding capital leases	Level 2	$ 5,821	$ 4,986	$ 5,319	$ 4,984

The fair values presented in the table above have been estimated using market information when available. The following is a description of the valuation methodologies and inputs used by the Company to determine fair value.

Commercial mortgage loans. The Company estimates the fair value of commercial mortgage loans generally by discounting the contractual cash flows at estimated market interest rates that reflect the Company's assessment of the credit quality of the loans. Market interest rates are derived by calculating the appropriate spread over comparable U.S. Treasury rates, based on the property type, quality rating and average life of the loan. The quality ratings reflect the relative risk of the loan, considering debt service coverage, the loan-

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to-value ratio and other factors. Fair values of impaired mortgage loans are based on the estimated fair value of the underlying collateral generally determined using an internal discounted cash flow model. The fair value measurements were classified in Level 3 because the cash flow models incorporate significant unobservable inputs.

Contractholder deposit funds, excluding universal life products. Generally, these funds do not have stated maturities. Approximately 55% of these balances can be withdrawn by the customer at any time without prior notice or penalty. The fair value for these contracts is the amount estimated to be payable to the customer as of the reporting date, which is generally the carrying value. Most of the remaining contractholder deposit funds are reinsured by the buyers of the individual life and annuity and retirement benefits businesses. The fair value for these contracts is determined using the fair value of these buyers' assets supporting these reinsured contracts. The Company had a reinsurance recoverable equal to the carrying value of these reinsured contracts. These instruments were classified in Level 3 because certain inputs are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement.

Long-term debt, including current maturities, excluding capital leases. The fair value of long-term debt is based on quoted market prices for recent trades. When quoted market prices are not available, fair value is estimated using a discounted cash flow analysis and the Company's estimated current borrowing rate for debt of similar terms and remaining maturities. These measurements were classified in Level 2 because the fair values are based on quoted market prices or other inputs that are market observable or can be corroborated by market data.

Fair values of off-balance-sheet financial instruments were not material.

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NOTE 12 Investments

A. Fixed Maturities and Equity Securities

Securities in the following table are included in fixed maturities and equity securities on the Company's Consolidated Balance Sheets. The Company's hybrid investments include certain preferred stock or debt securities with call or conversion features.

(In millions)	2012	2011
Included in fixed maturities:		
Trading securities (amortized cost: $1; $2)	$ 1	$ 2
Hybrid securities (amortized cost: $15; $26)	15	28
TOTAL	**$ 16**	**$ 30**
Included in equity securities:		
Hybrid securities (amortized cost: $84; $90)	$ 70	$ 65

Fixed maturities included federal government securities of $54 million at December 31, 2012 and $79 million at December 31, 2011, that were pledged as collateral to brokers as required under certain futures contracts.

The following information about fixed maturities excludes trading and hybrid securities. The amortized cost and fair value by contractual maturity periods for fixed maturities were as follows at December 31, 2012:

(In millions)	Amortized Cost	Fair Value
Due in one year or less	$ 1,121	$ 1,141
Due after one year through five years	5,211	5,633
Due after five years through ten years	5,283	5,973
Due after ten years	2,850	3,796
Mortgage and other asset-backed securities	1,000	1,146
TOTAL	**$ 15,465**	**$ 17,689**

Actual maturities could differ from contractual maturities because issuers may have the right to call or prepay obligations, with or without penalties. Also, in some cases the Company may extend maturity dates.

Gross unrealized appreciation (depreciation) on fixed maturities by type of issuer is shown below (excluding trading securities and hybrid securities with a fair value of $16 million at December 31, 2012 and $30 million at December 31, 2011).

	December 31, 2012			
(In millions)	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Federal government and agency	$ 509	$ 393	$ -	$ 902
State and local government	2,169	270	(2)	2,437
Foreign government	1,197	126	(1)	1,322
Corporate	10,590	1,308	(17)	11,881
Federal agency mortgage-backed	121	1	-	122
Other mortgage-backed	82	11	(4)	89
Other asset-backed	797	145	(6)	936
TOTAL	**$ 15,465**	**$ 2,254**	**$ (30)**	**$ 17,689**

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(In millions)	December 31, 2011 Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
Federal government and agency	$ 552	$ 406	$ -	$ 958
State and local government	2,185	274	(3)	2,456
Foreign government	1,173	103	(2)	1,274
Corporate	9,460	1,070	(45)	10,485
Federal agency mortgage-backed	9	-	-	9
Other mortgage-backed	73	10	(4)	79
Other asset-backed	777	160	(11)	926
TOTAL	**$ 14,229**	**$ 2,023**	**$ (65)**	**$ 16,187**

The above table includes investments with a fair value of $3.1 billion supporting the Company's run-off settlement annuity business, with gross unrealized appreciation of $883 million and gross unrealized depreciation of $8 million at December 31, 2012. Such unrealized amounts are required to support future policy benefit liabilities of this business and, as such, are not included in accumulated other comprehensive income. At December 31, 2011, investments supporting this business had a fair value of $3 billion, gross unrealized appreciation of $851 million and gross unrealized depreciation of $25 million.

As of December 31, 2012, the Company had commitments to purchase $58 million of fixed maturities, most of which bear interest at a fixed market rate.

Review of declines in fair value. Management reviews fixed maturities with a decline in fair value from cost for impairment based on criteria that include:

- length of time and severity of decline;
- financial health and specific near term prospects of the issuer;
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and
- the Company's intent to sell or the likelihood of a required sale prior to recovery.

Excluding trading and hybrid securities, as of December 31, 2012, fixed maturities with a decline in fair value from amortized cost (primarily corporate, and other asset and mortgage-backed securities) were as follows, including the length of time of such decline:

(Dollars in millions)	December 31, 2012 Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues
Fixed maturities:				
One year or less:				
Investment grade	$ 488	$ 494	$ (6)	200
Below investment grade	$ 123	$ 125	$ (2)	67
More than one year:				
Investment grade	$ 195	$ 207	$ (12)	39
Below investment grade	$ 26	$ 36	$ (10)	14

As of December 31, 2012, the unrealized depreciation of investment grade fixed maturities is primarily due to increases in market yields since purchase. Excluding trading and hybrid securities, equity securities with a fair value lower than cost were not material at December 31, 2012.

B. Commercial Mortgage Loans

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Mortgage loans held by the Company are made exclusively to commercial borrowers and are diversified by property type, location and borrower. Loans are secured by high quality, primarily completed and substantially leased operating properties.

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At December 31, commercial mortgage loans were distributed among the following property types and geographic regions:

(In millions)	2012	2011
Property type		
Office buildings	$ 866	$ 1,014
Apartment buildings	571	705
Industrial	532	670
Hotels	463	542
Retail facilities	346	297
Other	73	73
TOTAL	**$ 2,851**	**$ 3,301**
Geographic region		
Pacific	$ 966	$ 893
South Atlantic	730	870
New England	387	450
Central	352	511
Middle Atlantic	300	391
Mountain	116	186
TOTAL	**$ 2,851**	**$ 3,301**

At December 31, 2012, scheduled commercial mortgage loan maturities were as follows (in millions): $419 in 2013, $290 in 2014, $318 in 2015, $791 in 2016 and $1,033 thereafter. Actual maturities could differ from contractual maturities for several reasons: borrowers may have the right to prepay obligations, with or without prepayment penalties; the maturity date may be extended; and loans may be refinanced.

As of December 31, 2012, the Company had commitments to extend credit under commercial mortgage loan agreements of $6 million.

Credit quality. The Company applies a consistent and disciplined approach to evaluating and monitoring credit risk, beginning with the initial underwriting of a mortgage loan and continuing throughout the investment holding period. Mortgage origination professionals employ an internal rating system developed from the Company's experience in real estate investing and mortgage lending. A quality rating, designed to evaluate the relative risk of the transaction, is assigned at each loan's origination and is updated each year as part of the annual portfolio loan review. The Company monitors credit quality on an ongoing basis, classifying each loan as a loan in good standing, potential problem loan or problem loan.

Quality ratings are based on internal evaluations of each loan's specific characteristics considering a number of key inputs, including real estate market-related factors such as rental rates and vacancies, and property-specific inputs such as growth rate assumptions and lease rollover statistics. However, the two most significant contributors to the credit quality rating are the debt service coverage and loan-to-value ratios. The debt service coverage ratio measures the amount of property cash flow available to meet annual interest and principal payments on debt. A debt service coverage ratio below 1.0 indicates that there is not enough cash flow to cover the loan payments. The loan-to-value ratio, commonly expressed as a percentage, compares the amount of the loan to the fair value of the underlying property collateralizing the loan.

The following tables summarize the credit risk profile of the Company's commercial mortgage loan portfolio using carrying values classified based on loan-to-value and debt service coverage ratios, as of December 31, 2012 and 2011:

	December 31, 2012					
	Debt Service Coverage Ratio					
Loan-to-Value Ratios (In millions)	1.30x or Greater	1.20x to 1.29x	1.10x to 1.19x	1.00x to 1.09x	Less than 1.00x	Total
Below 50%	$ 297	$ 8	$ -	$ 50	$ -	$ 355

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50% to 59%	614	104	25	52	-	795
60% to 69%	562	75	-	66	-	703
70% to 79%	194	143	132	4	16	489
80% to 89%	45	42	131	18	58	294
90% to 99%	14	30	-	-	58	102
100% or above	-	-	30	17	66	113
TOTAL	**$ 1,726**	**$ 402**	**$ 318**	**$ 207**	**$ 198**	**$ 2,851**

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Loan-to-Value Ratios *(In millions)*	December 31, 2011 Debt Service Coverage Ratio 1.30x or Greater	1.20x to 1.29x	1.10x to 1.19x	1.00x to 1.09x	Less than 1.00x	Total
Below 50%	$ 225	$ 55	$ 3	$ 50	$ 9	$ 342
50% to 59%	444	47	26	-	53	570
60% to 69%	646	140	42	-	77	905
70% to 79%	117	132	120	159	33	561
80% to 89%	99	81	79	72	71	402
90% to 99%	36	35	30	58	116	275
100% or above	-	10	50	51	135	246
TOTAL	**$ 1,567**	**$ 500**	**$ 350**	**$ 390**	**$ 494**	**$ 3,301**

The Company's annual in-depth review of its commercial mortgage loan investments is the primary mechanism for identifying emerging risks in the portfolio. The most recent review was completed by the Company's investment professionals in the second quarter of 2012 and included an analysis of each underlying property's most recent annual financial statements, rent rolls, operating plans, budgets, a physical inspection of the property and other pertinent factors. Based on historical results, current leases, lease expirations and rental conditions in each market, the Company estimates the current year and future stabilized property income and fair value, and categorizes the investments as loans in good standing, potential problem loans or problem loans. Based on property valuations and cash flows estimated as part of this review, and considering updates for loans where material changes were subsequently identified, the portfolio's average loan-to-value ratio improved to 65% at December 31, 2012, decreasing from 70% as of December 31, 2011. The portfolio's average debt service coverage ratio was estimated to be 1.56 at December 31, 2012, a significant improvement from 1.40 at December 31, 2011.

Quality ratings are adjusted between annual reviews if new property information is received or events such as delinquency or a borrower's request for restructure cause management to believe that the Company's estimate of financial performance, fair value or the risk profile of the underlying property has been impacted.

During 2012, the Company restructured a $119 million problem mortgage loan, net of a valuation reserve, into two notes carried at $100 million and $19 million. The $100 million note was reclassified to impaired commercial mortgage loans with no valuation reserves and the $19 million note was classified as another long-term investment. This modification was considered a troubled debt restructuring because the borrower was experiencing financial difficulties and an interest rate concession was granted. No valuation reserve was required because the fair value of the underlying property equaled the carrying value of the outstanding loan. Following the restructuring, the $100 million note was paid down by $46 million with the remaining $54 million note reclassified to good standing due to an improved quality rating based on significant improvements in its loan-to-value and debt service coverage ratios resulting from the annual loan review.

During 2011, the Company restructured a $65 million potential problem loan into two notes carried at $55 million and $10 million. This modification was considered a troubled debt restructuring because the borrower was experiencing financial difficulties and an interest rate concession was granted. No valuation reserve was required because the fair value of the underlying property exceeded the carrying value of the outstanding loan. As a part of this restructuring, the borrowers and the Company have committed to fund additional capital for leasing and capital requirements.

Other loans were modified during 2012 and 2011, but were not considered troubled debt restructures. The impact of modifications to these loans was not material to the Company's results of operations, financial condition or liquidity.

Potential problem mortgage loans are considered current (no payment more than 59 days past due), but exhibit certain characteristics that increase the likelihood of future default. The characteristics management considers include, but are not limited to, the deterioration of debt service coverage below 1.0, estimated loan-to-value ratios increasing to 100% or more, downgrade in quality rating and request from the borrower for restructuring. In addition, loans are considered potential problems if principal or interest payments are past due by more

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than 30 but less than 60 days. Problem mortgage loans are either in default by 60 days or more or have been restructured as to terms, which could include concessions on interest rate, principal payment or maturity date. The Company monitors each problem and potential problem mortgage loan on an ongoing basis, and updates the loan categorization and quality rating when warranted.

Problem and potential problem mortgage loans, net of valuation reserves, totaled $215 million at December 31, 2012 and $336 million at December 31, 2011. At December 31, 2012, mortgage loans located in the South Atlantic region represented the most significant component of problem and potential problem mortgage loans, with no significant concentration by property type. At December 31, 2011, mortgage loans collateralized by industrial properties represent the most significant component of problem and potential problem mortgage loans, with no significant concentration by geographic region.

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Impaired commercial mortgage loans. The carrying value of the Company's impaired commercial mortgage loans and related valuation reserves were as follows:

	2012			2011		
(In millions)	**Gross**	**Reserves**	**Net**	**Gross**	**Reserves**	**Net**
Impaired commercial mortgage loans with valuation reserves	$ 72	$ (7)	$ 65	$ 154	$ (19)	$ 135
Impaired commercial mortgage loans with no valuation reserves	60	-	60	60	-	60
TOTAL	**$ 132**	**$ (7)**	**$ 125**	**$ 214**	**$ (19)**	**$ 195**

During 2012, the Company recorded a $10 million pre-tax ($7 million after-tax) increase in valuation reserves on three impaired commercial mortgage loans collateralized by industrial properties and one impaired commercial mortgage loan collateralized by a retail property. The average recorded investment in impaired loans was $167 million during 2012 and $176 million during 2011. The Company recognizes interest income on problem mortgage loans only when payment is actually received because of the risk profile of the underlying investment. Additional interest income that would have been reflected in net income if interest on non-accrual commercial mortgage loans had been received in accordance with the original terms was not significant for 2012 or 2011. Interest income on impaired commercial mortgage loans was not significant for 2012 or 2011. See Note 2 for further information on impaired commercial mortgage loans.

The following table summarizes the changes in valuation reserves for commercial mortgage loans:

(In millions)	**2012**	**2011**
Reserve balance, January 1,	$ 19	$ 12
Increase in valuation reserves	10	16
Charge-offs upon sales and repayments, net of recoveries	(3)	(1)
Transfers to other long-term investments	(16)	-
Transfers to foreclosed real estate	(3)	(8)
RESERVE BALANCE, DECEMBER 31,	**$ 7**	**$ 19**

C. Real Estate

As of December 31, 2012 and 2011, real estate investments consisted primarily of office and industrial buildings in California. Investments with a carrying value of $49 million as of December 31, 2012 and 2011 were non-income producing during the preceding twelve months. As of December 31, 2012, the Company had commitments to contribute additional equity of $7 million to real estate investments.

D. Other Long-Term Investments

As of December 31, other long-term investments consisted of the following:

(In millions)	**2012**	**2011**
Real estate entities	$ 823	$ 665
Securities partnerships	343	298
Interest rate and foreign currency swaps	6	12
Mezzanine loans	31	31
Other	52	52
TOTAL	**$ 1,255**	**$ 1,058**

Investments in real estate entities and securities partnerships with a carrying value of $199 million at December 31, 2012 and $171 million at December 31, 2011 were non-income producing during the preceding twelve months.

As of December 31, 2012, the Company had commitments to contribute:

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- $197 million to limited liability entities that hold either real estate or loans to real estate entities that are diversified by property type and geographic region; and
- $312 million to entities that hold securities diversified by issuer and maturity date.

The Company expects to disburse approximately 50% of the committed amounts in 2013.

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E. Short-Term Investments and Cash Equivalents

Short-term investments and cash equivalents included corporate securities of $1.1 billion, federal government securities of $167 million and money market funds of $217 million as of December 31, 2012. The Company's short-term investments and cash equivalents as of December 31, 2011 included corporate securities of $4.1 billion, federal government securities of $164 million and money market funds of $40 million. The decrease during 2012 is primarily due to funds used to acquire HealthSpring. See Note 3 for further information.

F. Concentration of Risk

As of December 31, 2012 and 2011, the Company did not have a concentration of investments in a single issuer or borrower exceeding 10% of shareholders' equity.

NOTE 13 Derivative Financial Instruments

The Company has written and purchased reinsurance contracts under its Run-off Reinsurance segment that are accounted for as free standing derivatives. The Company also uses derivative financial instruments to manage the equity, foreign currency, and certain interest rate risk exposures of its Run-off Reinsurance segment. In addition, the Company uses derivative financial instruments to manage the characteristics of investment assets to meet the varying demands of the related insurance and contractholder liabilities. See Note 2 for information on the Company's accounting policy for derivative financial instruments. Derivatives in the Company's separate accounts are excluded from the following discussion because associated gains and losses generally accrue directly to separate account policyholders.

Collateral and termination features. The Company routinely monitors exposure to credit risk associated with derivatives and diversifies the portfolio among approved dealers of high credit quality to minimize this risk. Certain of the Company's over-the-counter derivative instruments contain provisions requiring either the Company or the counterparty to post collateral or demand immediate payment depending on the amount of the net liability position and predefined financial strength or credit rating thresholds. Collateral posting requirements vary by counterparty. The net liability positions of these derivatives were not material as of December 31, 2012 or 2011.

Derivative instruments associated with the Company's Run-off Reinsurance segment.

Guaranteed Minimum Income Benefits (GMIB)

Purpose. The Company has written reinsurance contracts with issuers of variable annuity contracts that provide annuitants with certain guarantees of minimum income benefits resulting from the level of variable annuity account values compared with a contractually guaranteed amount ("GMIB liabilities"). According to the contractual terms of the written reinsurance contracts, payment by the Company depends on the actual account value in the underlying mutual funds and the level of interest rates when the contractholders elect to receive minimum income payments. The Company has purchased retrocessional coverage for 55% of these contracts to reduce a portion of the risks assumed ("GMIB assets"). Effective February 4, 2013, the Company reinsured the remainder of the exposures on these contracts. See Note 25 for additional information.

Accounting policy. The Company accounts for these GMIB liabilities and assets as written and purchased options at fair value because cash flows are affected by equity markets and interest rates, but are without significant life insurance risk and are settled in lump sum payments. These derivatives are not designated as hedges and their fair values are reported in other liabilities (GMIB liability) and other assets (GMIB asset), with changes in fair value reported in GMIB fair value (gain) loss.

Cash flows. Under the terms of these written and purchased contracts, the Company periodically receives and pays fees based on either contractholders' account values or their deposits increased at a contractual rate. The Company will also pay and receive cash depending on changes in account values and interest rates when contractholders first elect to receive minimum income payments. These cash flows are reported in operating activities.

Volume of activity. The potential undiscounted future payments for the written options (GMIB liability, as defined in Note 24) was $1,065 million as of December 31, 2012 and $1,244 million as of December 31, 2011. The potential undiscounted future receipts for the purchased options (GMIB asset) was $586 million as of December 31, 2012 and $684 million as of December 31, 2011.

The following table provides the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements *(In millions)*

	Other Assets, including other intangibles	Accounts Payable, Accrued Expenses and Other Liabilities	GMIB Fair Value (Gain) Loss

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Instrument	As of December 31, 2012	As of December 31, 2011	As of December 31, 2012	As of December 31, 2011	For the years ended December 31, 2012	For the years ended December 31, 2011
Written options (GMIB liability)			$ 1,170	$ 1,333	$ (96)	$ 504
Purchased options (GMIB asset)	$ 622	$ 712			55	(270)
TOTAL	**$ 622**	**$ 712**	**$ 1,170**	**$ 1,333**	**$ (41)**	**$ 234**

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GMDB and GMIB Hedge Programs

Purpose. The Company uses derivative financial instruments under a dynamic hedge program designed to substantially reduce domestic and international equity market exposures resulting from changes in variable annuity account values based on underlying mutual funds for certain reinsurance contracts that guarantee minimum death benefits ("GMDB"). During the second quarter of 2012, the Company expanded this hedge program to cover approximately one-half of the equity market exposures associated with its GMIB business, increasing the covered exposure from approximately one-quarter. The Company also operates a dynamic hedge program to reduce the exposure to changes in interest rate levels on the growth rate for approximately one-third of its GMDB and one-quarter of its GMIB businesses ("GMDB and GMIB growth interest rate hedge program"). These hedge programs are dynamic because the Company will regularly rebalance the hedging instruments within established parameters as equity and interest rate exposures of these businesses change. These hedge programs were terminated after February 4, 2013 as a result of the Company's agreement to reinsure the remainder of GMDB and GMIB businesses. See Notes 7 and 11 for further details regarding these businesses.

The Company manages these hedge programs using exchange-traded equity, foreign currency, and interest rate futures contracts, as well as interest rate swap contracts. These contracts are generally expected to rise in value as equity markets and interest rates decline, and decline in value as equity markets and interest rates rise.

Accounting policy. These hedge programs are not designated as accounting hedges. Although these hedge programs effectively reduce equity market, foreign currency, and interest rate exposures, changes in the fair values of these futures and swap contracts may not exactly offset changes in the portions of the GMDB and GMIB liabilities covered by these hedges, in part because the market does not offer contracts that exactly match the targeted exposure profile. Changes in fair value of these futures contracts, as well as interest income and interest expense relating to the swap contracts are reported in other revenues. The fair values of the interest rate swaps are reported in other assets and other liabilities. Amounts reflecting corresponding changes in liabilities for GMDB contracts are included in benefits and expenses.

Cash flows. The Company receives or pays cash daily in the amount of the change in fair value of the futures contracts. The Company periodically exchanges cash flows between variable and fixed interest rates under the interest rate swap contracts. Cash flows relating to these contracts are included in operating activities.

Volume of activity. The notional values of futures and swap contracts used in the GMDB and GMIB equity and growth interest rate hedge programs are included in the following table. Equity futures consist primarily of S&P 500, S&P 400, Russell 2000, NASDAQ, TOPIX (Japanese), EUROSTOXX and FTSE (British) equity indices. Currency futures consist of Euros, Japanese yen and British pounds.

	Notional Amount ***(In millions)***	
Instrument	**As of December 31, 2012**	**As of December 31, 2011**
Equity and currency futures - equity hedge	$ 777	$ 994
Interest rate swaps - growth interest rate hedge	240	240
U.S. Treasury futures - growth interest rate hedge	16	29
Eurodollar futures - growth interest rate hedge	482	598
TOTAL	**$ 1,515**	**$ 1,861**

The following tables provide the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements ***(In millions)***

	Other Revenues	
	For the years ended December 31,	
	2012	**2011**
Equity and currency futures for GMDB exposures	$ (110)	$ (45)
Equity and currency futures for GMIB exposures	(16)	4
TOTAL EQUITY AND CURRENCY FUTURES (1)	**$ (126)**	**$ (41)**

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	Other Assets, including other intangibles		Other Revenues	
	As of December 31,		For the years ended December 31,	
	2012	2011	2012	2011
Interest rate swaps	$ 35	$ 33	$ 8	$ 39
Interest rate futures [1]	-	-	(1)	(2)
TOTAL INTEREST RATE SWAPS AND FUTURES	**$ 35**	**$ 33**	**$ 7**	**$ 37**
Interest rate derivatives for GMDB exposures			$ 5	$ 31
Interest rate derivatives for GMIB exposures			2	6
TOTAL INTEREST RATE SWAPS AND FUTURES			**$ 7**	**$ 37**

(1) Balance sheet presentation of amounts receivable or payable relating to futures daily variation margin are excluded from this table.

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Derivative instruments used in the Company's investment risk management.

Derivative financial instruments are also used by the Company as a part of its investment strategy to manage the characteristics of investment assets (such as duration, yield, currency and liquidity) to meet the varying demands of the related insurance and contractholder liabilities (such as paying claims, investment returns and withdrawals). Derivatives are typically used in this strategy to reduce interest rate and foreign currency risks.

Investment Cash Flow Hedges

Purpose. The Company uses interest rate, foreign currency, and combination (interest rate and foreign currency) swap contracts to hedge the interest and foreign currency cash flows of its fixed maturity bonds to match associated insurance liabilities.

Accounting policy. Using cash flow hedge accounting, fair values are reported in other long-term investments or other liabilities and accumulated other comprehensive income and amortized into net investment income or reported in other realized investment gains and losses as interest or principal payments are received.

Cash flows. Under the terms of these various contracts, the Company periodically exchanges cash flows between variable and fixed interest rates and/or between two currencies for both principal and interest. Foreign currency swaps are primarily Euros, Australian dollars, Canadian dollars, Japanese yen, and British pounds, and have terms for periods of up to 9 years. Net interest cash flows are reported in operating activities.

Volume of activity. The following table provides the notional values of these derivative instruments for the indicated periods:

	Notional Amount *(In millions)*	
	As of December 31,	
Instrument	**2012**	**2011**
Interest rate swaps	$ 58	$ 134
Foreign currency swaps	133	134
Combination interest rate and foreign currency swaps	64	64
TOTAL	**$ 255**	**$ 332**

The following table provides the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements *(In millions)*						
	Other Long-Term Investments		**Accounts Payable, Accrued Expenses and Other Liabilities**		**Gain (Loss) Recognized in Other Comprehensive Income (1)**	
	As of December 31,		**As of December 31,**		**For the years ended December 31,**	
Instrument	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Interest rate swaps	$ 4	$ 7	$ -	$ -	$ (3)	$ (3)
Foreign currency swaps	1	3	18	19	(3)	(1)
Combination interest rate and foreign currency swaps	-	-	13	11	(2)	1
TOTAL	**$ 5**	**$ 10**	**$ 31**	**$ 30**	**$ (8)**	**$ (3)**

(1) *Other comprehensive income for foreign currency swaps excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.*

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For the years ended December 31, 2012 and 2011, the amount of gains (losses) reclassified from accumulated other comprehensive income into income was not material. The amount of gains (losses) recognized due to ineffectiveness was not material and there were no amounts excluded from the assessment of hedge effectiveness.

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NOTE 14 Variable Interest Entities

When the Company becomes involved with a variable interest entity and when the nature of the Company's involvement with the entity changes, in order to determine if the Company is the primary beneficiary and must consolidate the entity, it evaluates:

- the structure and purpose of the entity;
- the risks and rewards created by and shared through the entity; and
- the entity's participants' ability to direct its activities, receive its benefits and absorb its losses. Participants include the entity's sponsors, equity holders, guarantors, creditors and servicers.

In the normal course of its investing activities, the Company makes passive investments in securities that are issued by variable interest entities for which the Company is not the sponsor or manager. These investments are predominantly asset-backed securities primarily collateralized by foreign bank obligations or mortgage-backed securities. The asset-backed securities largely represent fixed-rate debt securities issued by trusts that hold perpetual floating-rate subordinated notes issued by foreign banks. The mortgage-backed securities represent senior interests in pools of commercial or residential mortgages created and held by special-purpose entities to provide investors with diversified exposure to these assets. The Company owns senior securities issued by several entities and receives fixed-rate cash flows from the underlying assets in the pools.

In order to provide certain services to its Medicare Advantage customers, the Company contracts with independent physician associations (IPAs) that are variable interest entities. Physicians provide health care services to the Medicare Advantage customers and the Company provides medical management and administrative services to the IPAs.

The Company is not the primary beneficiary and does not consolidate these entities because either:

- it had no power to direct the activities that most significantly impact the entities' economic performance; or
- it had neither the right to receive benefits nor the obligation to absorb losses that could be significant to these variable interest entities.

The Company has not provided, and does not intend to provide, financial support to these entities that it is not contractually required to provide. The Company performs ongoing qualitative analyses of its involvement with these variable interest entities to determine if consolidation is required. The Company's maximum potential exposure to loss related to the investment entities is limited to the carrying amount of its investment reported in fixed maturities and equity securities, and its aggregate ownership interest is insignificant relative to the total principal amount issued by these entities. The Company's maximum exposure to loss related to the IPA arrangements is limited to the liability for incurred but not reported claims for the Company's Medicare Advantage customers. These liabilities are not material and are generally secured by deposits maintained by the IPAs.

NOTE 15 Investment Income and Gains and Losses

A. Net Investment Income

The components of pre-tax net investment income for the years ended December 31 were as follows:

(In millions)	**2012**	**2011**	**2010**
Fixed maturities	$ 843	$ 817	$ 788
Equity securities	4	6	6
Commercial mortgage loans	192	218	221
Policy loans	74	86	90
Real estate	(2)	(2)	(2)
Other long-term investments	59	48	29
Short-term investments and cash	14	10	11
	1,184	1,183	1,143
Less investment expenses	40	37	38
NET INVESTMENT INCOME	**$ 1,144**	**$ 1,146**	**$ 1,105**

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Net investment income for separate accounts (that is not reflected in the Company's revenues) was $181 million for 2012, $207 million for 2011, and $163 million for 2010.

B. Realized Investment Gains and Losses

The following realized gains and losses on investments for the years ended December 31 exclude amounts required to adjust future policy benefits for the run-off settlement annuity business.

(In millions)	2012	2011	2010
Fixed maturities	$ 48	$ 50	$ 87
Equity securities	4	(1)	5
Commercial mortgage loans	(9)	(16)	(23)
Real estate	(1)	(6)	3
Other investments, including derivatives	2	35	3
Realized investment gains (losses), before income taxes	44	62	75
Less income taxes (benefits)	13	21	25
NET REALIZED INVESTMENT GAINS (LOSSES)	**$ 31**	**$ 41**	**$ 50**

Included in pre-tax realized investment gains (losses) above were asset write-downs and changes in valuation reserves as follows:

(In millions)	2012	2011	2010
Credit related [(1)]	$ (20)	$ (28)	$ (38)
Other	(2)	(25)	(1)
TOTAL	**$ (22)**	**$ (53)**	**$ (39)**

(1) Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.

The Company recognized pre-tax gains of $5 million in 2012, compared with pre-tax losses of $7 million in 2011 and pre-tax gains of $7 million in 2010 on hybrid securities.

Realized investment gains in 2011 in other investments, including derivatives, represent primarily gains on sale of real estate properties held in joint ventures.

Realized investment gains that are not reflected in the Company's revenues for the years ended December 31 were as follows:

(In millions)	2012	2011	2010
Separate accounts	$ 206	$210	$191
Investment gains required to adjust future policy benefits for the run-off settlement annuity business	$ 21	$ 8	$ 18

Sales information for available-for-sale fixed maturities and equity securities, for the years ended December 31 were as follows:

(In millions)	2012	2011	2010
Proceeds from sales	$ 591	$ 876	$ 826
Gross gains on sales	$ 37	$ 53	$ 46
Gross losses on sales	$ (2)	$ (7)	$ (3)

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NOTE 16 Debt

(In millions)	2012	2011
Short-term:		
Commercial paper	$ 200	$ 100
Current maturities of long-term debt	1	4
TOTAL SHORT-TERM DEBT	**$ 201**	**$ 104**
Long-term:		
Uncollateralized debt:		
2.75% Notes due 2016	$ 600	$ 600
5.375% Notes due 2017	250	250
6.35% Notes due 2018	131	131
8.5% Notes due 2019	251	251
4.375% Notes due 2020	249	249
5.125% Notes due 2020	299	299
6.37% Notes due 2021	78	78
4.5% Notes due 2021	299	298
4% Notes due 2022	743	743
7.65% Notes due 2023	100	100
8.3% Notes due 2023	17	17
7.875% Debentures due 2027	300	300
8.3% Step Down Notes due 2033	83	83
6.15% Notes due 2036	500	500
5.875% Notes due 2041	298	298
5.375% Notes due 2042	750	750
Other	38	43
TOTAL LONG-TERM DEBT	**$ 4,986**	**$ 4,990**

As described in Note 3, the Company acquired HealthSpring on January 31, 2012. At the acquisition date, HealthSpring had $326 million of debt outstanding. In accordance with debt covenants, HealthSpring's debt obligation was paid immediately following the acquisition. This repayment is reported as a financing activity in the statement of cash flows for the year ended December 31, 2012.

In December 2012, the Company extended the life of its June 2011 five-year revolving credit and letter of credit agreement for $1.5 billion, that permits up to $500 million to be used for letters of credit. This agreement is diversified among 16 banks, with 3 banks each having 12% of the commitment and the remainder spread among 13 banks. The credit agreement includes options that are subject to consent by the administrative agent and the committing banks, to increase the commitment amount to $2 billion and to extend the term past December 2017. The credit agreement is available for general corporate purposes, including as a commercial paper backstop and for the issuance of letters of credit. This agreement has certain covenants, including a financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00. As of December 31, 2012, the Company had $5.3 billion of borrowing capacity within the maximum debt coverage covenant in the agreement in addition to the $5.2 billion of debt outstanding. There were letters of credit of $66 million issued as of December 31, 2012.

On November 10, 2011, the Company issued $2.1 billion of long-term debt as follows: $600 million of 5-Year Notes due November 15, 2016 at a stated interest rate of 2.75% ($600 million, net of discount, with an effective interest rate of 2.936% per year), $750 million of 10-Year Notes due February 15, 2022 at a stated interest rate of 4% ($743 million, net of discount, with an effective interest rate of 4.346% per year) and $750 million of 30-Year Notes due February 15, 2042 at a stated interest rate of 5.375% ($750 million, net of discount, with an effective interest rate of 5.542% per year). Interest is payable on May 15 and November 15 of each year beginning

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May 15, 2012 for the 5-Year Notes and February 15 and August 15 of each year beginning February 15, 2012 for the 10-Year and 30-Year Notes. The proceeds of this debt were used to fund the HealthSpring acquisition in January 2012.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 30 basis points (5-Year 2.75% Notes due 2016), 35 basis points (10-Year 4% Notes due 2022), or 40 basis points (30-Year 5.375% Notes due 2042).

In March 2011, the Company issued $300 million of 10-Year Notes due March 15, 2021 at a stated interest rate of 4.5% ($298 million, net of discount, with an effective interest rate of 4.683% per year) and $300 million of 30-Year Notes due March 15, 2041 at a stated interest rate of 5.875% ($298 million, net of discount, with an effective interest rate of 6.008% per year). Interest is payable on March 15 and September 15 of each year beginning September 15, 2011. The proceeds of this debt were used for general corporate purposes, including the repayment of debt maturing in 2011.

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The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 20 basis points (10-Year 4.5% Notes due 2021) or 25 basis points (30-Year 5.875% Notes due 2041).

During 2011, the Company repaid $449 million in maturing long-term debt.

In the fourth quarter of 2010, the Company entered into the following transactions related to its long-term debt:

- In December 2010 the Company offered to settle its 8.5% Notes due 2019, including accrued interest from November 1 through the settlement date. The tender price equaled the present value of the remaining principal and interest payments on the Notes being redeemed, discounted at a rate equal to the 10-year Treasury rate plus a fixed spread of 100 basis points. The tender offer priced at a yield of 4.128% and principal of $99 million was tendered, with $251 million remaining outstanding. The Company paid $130 million, including accrued interest and expenses, to settle the Notes, resulting in an after-tax loss on early debt extinguishment of $21 million.
- In December 2010 the Company offered to settle its 6.35% Notes due 2018, including accrued interest from September 16 through the settlement date. The tender price equaled the present value of the remaining principal and interest payments on the Notes being redeemed, discounted at a rate equal to the 10-year Treasury rate plus a fixed spread of 45 basis points. The tender offer priced at a yield of 3.923% and principal of $169 million was tendered, with $131 million remaining outstanding. The Company paid $198 million, including accrued interest and expenses, to settle the Notes, resulting in an after-tax loss on early debt extinguishment of $18 million.
- In December 2010, the Company issued $250 million of 4.375% Notes ($249 million net of debt discount, with an effective interest rate of 5.1%). Interest is payable on June 15 and December 15 of each year beginning December 15, 2010. These Notes will mature on December 15, 2020. The proceeds of this debt were used to fund the tender offer for the 8.5% Senior Notes due 2019 and the 6.35% Senior Notes due 2018 described above.

In May 2010, the Company issued $300 million of 5.125% Notes ($299 million, net of debt discount, with an effective interest rate of 5.36% per year). Interest is payable on June 15 and December 15 of each year beginning December 15, 2010. These Notes will mature on June 15, 2020. The proceeds of this debt were used for general corporate purposes.

The Company may redeem the Notes issued in 2010 at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 25 basis points.

Maturities of debt and capital leases are as follows (in millions): $1 in 2013, $23 in 2014, none in 2015, $600 in 2016, $250 in 2017 and the remainder in years after 2017. Interest expense on long-term debt, short-term debt and capital leases was $268 million in 2012, $202 million in 2011, and $182 million in 2010.

The Company was in compliance with its debt covenants as of December 31, 2012.

NOTE 17 Common and Preferred Stock

As of December 31, the Company had issued the following shares:

(Shares in thousands)	2012	2011
Common: Par value $0.25 600,000 shares authorized		
Outstanding - January 1	285,533	271,880
Issuance of common stock	-	15,200
Issued for stock option and other benefit plans	4,695	3,735
Repurchase of common stock	(4,399)	(5,282)
Outstanding - December 31	285,829	285,533
Treasury stock	80,316	80,612

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ISSUED - DECEMBER 31	366,145	366,145

On November 16, 2011, the Company issued 15.2 million shares of its common stock at $42.75 per share. Proceeds of $650 million ($629 million net of underwriting discount and fees) were used to partially fund the HealthSpring acquisition in January 2012.

The Company maintains a share repurchase program, which was authorized by its Board of Directors. The decision to repurchase shares depends on market conditions and alternative uses of capital. The Company has, and may continue from time to time, to repurchase shares on the open market through a Rule 10b5-1 plan that permits a company to repurchase its shares at times when it otherwise might be precluded from doing so under insider trading laws or because of self-imposed trading blackout periods.

During 2012, and through February 28, 2013, the Company repurchased 4.4 million shares for $208 million. On February 27, 2013, the Company's Board of Directors increased share repurchase authority by $500 million. Accordingly, the total remaining share repurchase authorization as of February 28, 2013 was $815 million. The Company repurchased 5.3 million shares for $225 million during 2011.

The Company has authorized a total of 25 million shares of $1 par value preferred stock. No shares of preferred stock were outstanding at December 31, 2012 or 2011.

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NOTE 18 Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.

Changes in accumulated other comprehensive income (loss) were as follows:

2012 *(In millions)*	**Pre-Tax**	**Tax (Expense) Benefit**	**After-Tax**
Net unrealized appreciation, securities:			
Net unrealized appreciation on securities arising during the year	$ 271	$ (90)	$ 181
Reclassification adjustment for losses (gains) included in shareholders' net income	(52)	18	(34)
Net unrealized appreciation, securities	$ 219	$ (72)	$ 147
Net unrealized depreciation, derivatives	$ (7)	$ 2	$ (5)
Net translation of foreign currencies	$ 78	$ (12)	$ 66
Postretirement benefits liability adjustment:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs, and settlement charges	$ 52	$ (18)	$ 34
Net change arising from assumption and plan changes and experience	(181)	55	(126)
Net postretirement benefits liability adjustment	$(129)	$ 37	$ (92)

2011 *(In millions)*	**Pre-Tax**	**Tax (Expense) Benefit**	**After-Tax**
Net unrealized appreciation, securities:			
Net unrealized appreciation on securities arising during the year	$ 366	$ (127)	$ 239
Reclassification adjustment for (gains) included in net income	(49)	18	(31)
Net unrealized appreciation, securities	$ 317	$ (109)	$ 208
Net unrealized appreciation, derivatives	$ 1	$ -	$ 1
Net translation of foreign currencies	$ (21)	$ (1)	$ (22)
Postretirement benefits liability adjustment:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$ 22	$ (7)	$ 15
Net change arising from assumption and plan changes and experience	(580)	205	(375)
Net postretirement benefits liability adjustment	$ (558)	$ 198	$(360)

2010 *(In millions)*	**Pre-Tax**	**Tax (Expense) Benefit**	**After-Tax**
Net unrealized appreciation, securities:			
Net unrealized appreciation on securities arising during the year	$ 319	$ (109)	$ 210
Reclassification adjustment for (gains) included in net income	(92)	32	(60)
Net unrealized appreciation, securities	$ 227	$ (77)	$ 150
Net unrealized appreciation, derivatives	$ 8	$ (2)	$ 6

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Net translation of foreign currencies	$ 40	$ (7)	$ 33
Postretirement benefits liability adjustment:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$ 10	$ (4)	$ 6
Net change arising from assumption and plan changes and experience	(311)	116	(195)
Net postretirement benefits liability adjustment	$ (301)	$ 112	$(189)

NOTE 19 Shareholders' Equity and Dividend Restrictions

State insurance departments and foreign jurisdictions that regulate certain of the Company's subsidiaries prescribe accounting practices (which differ in some respects from GAAP) to determine statutory net income and surplus. The Company's life insurance and HMO company

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subsidiaries are regulated by such statutory requirements. The statutory net income for the years ended, and statutory surplus as of, December 31 of the Company's life insurance and HMO subsidiaries were as follows:

(In millions)	2012	2011	2010
Net income	$ 1,520	$ 953	$ 1,697
Surplus	$ 6,109	$ 5,286	$ 5,107

The minimum statutory surplus required by regulators for the Company's life insurance and HMO company subsidiaries was approximately $1.7 billion as of December 31, 2012. As of December 31, 2012, statutory surplus for each of the Company's life insurance and HMO subsidiaries is sufficient to meet the minimum required by regulators. As of December 31, 2012, the Company's life insurance and HMO subsidiaries had investments on deposit with state departments of insurance with statutory carrying values of $337 million. The Company's life insurance and HMO subsidiaries are also subject to regulatory restrictions that limit the amount of annual dividends or other distributions (such as loans or cash advances) insurance companies may extend to the parent company without prior approval of regulatory authorities. The maximum dividend distribution that the Company's life insurance and HMO subsidiaries may make during 2013 without prior approval is approximately $1.1 billion. Restricted net assets of the Company as of December 31, 2012, were approximately $8.7 billion. Certain life insurance subsidiaries of the Company are permitted to loan up to $750 million to the parent company without prior approval.

NOTE 20 Income Taxes

A. Income Tax Expense

The components of income taxes for the years ended December 31 were as follows:

(In millions)	2012	2011	2010
Current taxes			
U.S. income	$ 604	$ 320	$ 267
Foreign income	72	58	45
State income	43	20	19
	719	398	331
Deferred taxes (benefits)			
U.S. income	131	193	187
Foreign income	4	23	8
State income	(1)	1	(7)
	134	217	188
TOTAL INCOME TAXES	**$ 853**	**$ 615**	**$ 519**

Total income taxes for the years ended December 31 were different from the amount computed using the nominal federal income tax rate of 35% for the following reasons:

(In millions)	2012	2011	2010
Tax expense at nominal rate	$ 867	$ 657	$ 631
Tax-exempt interest income	(28)	(29)	(31)
Effect of permanently invested foreign earnings	(37)	(17)	(11)
Dividends received deduction	(3)	(4)	(3)
Resolution of federal tax matters	-	(30)	-
State income tax (net of federal income tax benefit)	28	14	9
Change in valuation allowance	6	5	(93)
Other	20	19	17
TOTAL INCOME TAXES	**$ 853**	**$ 615**	**$ 519**

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Effect of Permanently Invested Foreign Earnings

The Company provides for income taxes on the undistributed earnings of certain foreign operations using the foreign jurisdictions' tax rate, as compared to the higher U.S. statutory tax rate. Commencing in the first quarter of 2012, the Company began using this approach to compute income taxes attributable to its China and Indonesia operations, based upon a determination that the related earnings would be permanently invested overseas. The Company

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continues to evaluate the permanent investment of foreign earnings for additional jurisdictions.

Shareholders' net income for the year ended December 31, 2012 increased by $37 million related to this method of providing for income taxes including $13 million attributable to the first quarter implementation of this method for the Company's China and Indonesia operations. Permanent investment of foreign operation earnings has resulted in cumulative unrecognized deferred tax liabilities of $116 million through December 31, 2012. The year-to-date change in the cumulative unrecognized deferred tax liability includes an increase of $10 million associated with unrecorded deferred tax liabilities reported through other comprehensive income.

Change in Valuation Allowance

The significant decline in the 2010 valuation allowance primarily reflects the resolution of a disputed federal income tax matter specific to the run-off reinsurance operations.

B. Deferred Income Taxes

Deferred income tax assets and liabilities as of December 31 are shown below.

(In millions)	2012	2011
Deferred tax assets		
Employee and retiree benefit plans	$ 765	$ 829
Investments, net	95	108
Other insurance and contractholder liabilities	486	443
Deferred gain on sale of businesses	28	46
Policy acquisition expenses	147	151
Loss carryforwards	9	8
Other accrued liabilities	164	109
Bad debt expense	21	17
Other	33	37
Deferred tax assets before valuation allowance	1,748	1,748
Valuation allowance for deferred tax assets	(42)	(45)
Deferred tax assets, net of valuation allowance	1,706	1,703
Deferred tax liabilities		
Depreciation and amortization	704	377
Foreign operations, net	147	128
Unrealized appreciation on investments and foreign currency translation	481	395
Total deferred tax liabilities	1,332	900
NET DEFERRED INCOME TAX ASSETS	**$ 374**	**$ 803**

Management believes consolidated taxable income expected to be generated in the future will be sufficient to support realization of the Company's net deferred tax assets. This determination is based upon the Company's consistent overall earnings history and future earnings expectations. Other than deferred tax benefits attributable to operating loss carryforwards, there are no time constraints within which the Company's deferred tax assets must be realized.

The Company's deferred tax asset is net of federal, state, and foreign valuation allowances. The foreign valuation allowance was initially recorded in connection with the Company's 2011 acquisition of FirstAssist, for which there was a year over year decline of $7 million. This reduction did not impact shareholder's net income. The valuation allowance reflects management's assessment that certain deferred tax assets may not be realizable.

C. Uncertain Tax Positions

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A reconciliation of unrecognized tax benefits for the years ended December 31 is as follows:

(In millions)	2012	2011	2010
Balance at January 1,	$ 52	$ 177	$ 214
Decrease due to prior year positions	(5)	(113)	(55)
Increase due to current year positions	7	7	34
Reduction related to settlements with taxing authorities	-	(17)	(13)
Reduction related to lapse of applicable statute of limitations	(3)	(2)	(3)
BALANCE AT DECEMBER 31,	**$ 51**	**$ 52**	**$ 177**

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There was minimal change in the level of unrecognized tax benefits during 2012.

The December 31, 2012 unrecognized tax benefit balance included $29 million that would increase shareholders' net income if recognized. The Company has determined it is at least reasonably possible that within the next twelve months there could be a significant change in the level of unrecognized tax benefits specific to development in ongoing IRS examinations. These changes are not expected to have a material impact on shareholders' net income.

The Company classifies net interest expense on uncertain tax positions and any applicable penalties as a component of income tax expense, but excludes these amounts from the liability for uncertain tax positions. The Company's liability for net interest and penalties was $3 million at December 31, 2012, $2 million at December 31, 2011 and $14 million at December 31, 2010. The 2011 decline included $11 million associated with the completion of the 2007 and 2008 IRS examinations.

During the first quarter of 2011, the IRS completed its examination of the Company's 2007 and 2008 consolidated federal income tax returns, resulting in an increase to shareholders' net income of $24 million ($33 million reported in income tax expense, partially offset by a $9 million pre-tax charge). The increase in shareholders' net income included a reduction in net unrecognized tax benefits of $11 million and a reduction of interest expense of $11 million (reported in income tax expense).

D. Federal Income Tax Examinations, Litigation and Other Matters

The Company has had a continuing dispute with the IRS for tax years 2004 through 2006 regarding the appropriate reserve methodology for certain reinsurance contracts. Trial was held before the United States Tax Court for the 2004 tax year in September 2011. Prior to trial, the IRS conceded the underlying adjustments but continued to challenge the Company's reserve methodology as a matter of law. The United States Tax Court issued its opinion for the 2004 year on September 13, 2012. While declining to rule on the broader legal issue, the opinion confirmed the Company's tax reserve calculation and referenced an IRS representation that it would not challenge the Company's reserving methodology in future tax years, thereby providing certainty that the Company may continue to use its current reserve methodology prospectively. Tax computations for the 2004 tax year have been reviewed by the staff of the Joint Committee of Taxation and the parties are currently awaiting entry of the Tax Court's decision, that is expected shortly. On January 9, 2013 the Tax Court entered its decision on this issue for the 2005 and 2006 tax years, ordering and deciding that the Company has no tax deficiency.

The IRS continues to be engaged in its examination of the Company's 2009 and 2010 consolidated federal income tax returns. This review is expected to be competed in 2013, and is not expected to have a material impact on shareholder's net income. The Company conducts business in numerous state and foreign jurisdictions, and may be engaged in multiple audit proceedings at any given time. Generally, no further state audit activity is expected for tax years prior to 2008, and prior to 2001 for foreign audit activity.

The American Taxpayer Act of 2012 was signed into law on January 2, 2013. This legislation retroactively extended for 2012, as well as for 2013, several otherwise expired corporate tax provisions from which the Company benefits. Tax benefits specific to extension of these provisions for 2012 will be recorded in the first quarter of 2013, and are not expected to have a material impact on shareholder's net income.

NOTE 21 Employee Incentive Plans

The People Resources Committee ("the Committee") of the Board of Directors awards stock options, restricted stock, deferred stock and, beginning in 2010, strategic performance shares to certain employees. To a very limited extent, the Committee has issued common stock instead of cash compensation and dividend equivalent rights as part of restricted and deferred stock units. The Company issues shares from Treasury stock for option exercises, awards of restricted stock and payment of deferred and restricted stock units.

As explained further in Note 3, in connection with the HealthSpring acquisition on January 31, 2012, HealthSpring employees' awards of options and restricted shares of HealthSpring stock were rolled over to Cigna stock options and restricted stock. Unless otherwise indicated, information in this footnote includes the effect of the HealthSpring rollover awards.

Compensation cost and related tax benefits for these awards were as follows:

(In millions)	2012	2011	2010
Compensation cost	$ 98	$ 61	$ 49
Tax benefits	$ 26	$ 14	$ 12

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The Company had the following number of shares of common stock available for award at December 31: 8.4 million in 2012, 11.7 million in 2011 and 7.5 million in 2010.

Stock options. The Company awards options to purchase the Company's common stock at the market price of the stock on the grant date. Options vest over periods ranging from one to five years and expire no later than 10 years from grant date.

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The table below shows the status of, and changes in, common stock options during the last three years:

	2012		2011		2010	
(Options in thousands)	**Options**	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**	**Options**	**Weighted Average Exercise Price**
Outstanding - January 1	9,581	$ 33.92	12,093	$ 31.10	13,751	$ 29.34
Granted	3,446	$ 28.29	1,546	$ 42.36	1,846	$ 34.64
Exercised	(3,740)	$ 22.72	(3,480)	$ 27.93	(2,565)	$ 24.31
Expired or canceled	(336)	$ 37.85	(578)	$ 33.61	(939)	$ 30.86
OUTSTANDING - DECEMBER 31	**8,951**	**$ 36.29**	**9,581**	**$ 33.92**	**12,093**	**$ 31.10**
Options exercisable at year-end	5,731	$ 34.93	6,147	$ 34.94	7,656	$ 34.42

Compensation expense of $20 million related to unvested stock options at December 31, 2012 will be recognized over the next two years (weighted average period).

The table below summarizes information for stock options exercised during the last three years:

(In millions)	2012	2011	2010
Intrinsic value of options exercised	$ 95	$ 53	$ 30
Cash received for options exercised	$ 85	$ 97	$ 62
Excess tax benefits realized from options exercised	$ 15	$ 10	$ 5

The following table summarizes information for outstanding common stock options at December 31, 2012:

(Dollars in millions, except per share amounts)	Options Outstanding	Options Exercisable
Number (in thousands)	8,951	5,731
Total intrinsic value	$ 154	$ 106
Weighted average exercise price	$ 36.29	$ 34.93
Weighted average remaining contractual life	6.3 yrs	5.1 yrs

Excluding the HealthSpring rollover options, the weighted average fair value of options granted under employee incentive plans was $14.99 for 2012, $13.96 for 2011 and $11.56 for 2010, using the Black-Scholes option-pricing model and the assumptions presented in the following table. See Note 3 for additional information regarding the valuation of the HealthSpring rollover awards.

	2012	2011	2010
Dividend yield	0.1%	0.1%	0.1%
Expected volatility	40.0%	40.0%	40.0%
Risk-free interest rate	0.8%	1.7%	1.9%
Expected option life	4.5 years	4 years	4 years

The expected volatility reflects the Company's past daily stock price volatility. The Company does not consider volatility implied in the market prices of traded options to be a good indicator of future volatility because remaining maturities of traded options are less than one year. The risk-free interest rate is derived using the four-year U.S. Treasury bond yield rate as of the award date for the primary grant. Expected option life reflects the Company's historical experience.

Restricted stock. The Company awards restricted stock to its employees or directors with vesting periods ranging from two to five years. These awards are generally in one of two forms: restricted stock grants or restricted stock units. Restricted stock grants are the most widely used form of restricted stock awards and are used for substantially all U.S.-based employees receiving such awards. Recipients of restricted stock grants are entitled to earn dividends and to vote during the vesting period, but forfeit their awards if their employment terminates before the vesting date. Awards of restricted stock units are generally limited to international employees. A restricted stock unit represents a right to receive a common share of stock when the unit vests. Recipients of restricted stock units are entitled to receive

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hypothetical dividends, but cannot vote during the vesting period. They forfeit their units if their employment terminates before the vesting date.

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PART II

ITEM 8 Financial Statements and Supplementary Data

The table below shows the status of, and changes in, restricted stock grants and units during the last three years:

	2012		2011		2010	
(Awards in thousands)	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date
Outstanding - January 1	4,246	$ 28.88	4,306	$ 27.70	4,113	$ 27.65
Awarded	1,563	$ 44.37	945	$ 42.62	1,155	$ 34.63
Vested	(1,485)	$ 27.60	(564)	$ 42.79	(541)	$ 40.87
Forfeited	(260)	$ 33.61	(441)	$ 28.99	(421)	$ 29.28
OUTSTANDING - DECEMBER 31	**4,064**	**$ 35.00**	**4,246**	**$ 28.88**	**4,306**	**$ 27.70**

The fair value of vested restricted stock was: $66 million in 2012, $24 million in 2011 and $18 million in 2010.

At the end of 2012, approximately 3,200 employees held 4.1 million restricted stock grants and units with $69 million of related compensation expense to be recognized over the next three years (weighted average period).

Strategic Performance Shares. The Company awards strategic performance shares to executives and certain other key employees generally with a performance period of three years. Strategic performance shares are divided into two broad groups: 50% are subject to a market condition (total shareholder return relative to industry peer companies) and 50% are subject to performance conditions (revenue growth and cumulative adjusted net income). These targets are set by the Committee. At the end of the performance period, holders of strategic performance shares will be awarded anywhere from 0 to 200% of the original grant of strategic performance shares in Cigna common stock.

The table below shows the status of, and changes in, strategic performance shares during the last three years:

	2012		2011		2010	
(Awards in thousands)	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date
Outstanding - January 1	834	$ 39.45	430	$ 34.73		$
Awarded	842	$ 44.49	529	$ 42.92	480	$ 34.73
Forfeited	(76)	$ 43.39	(125)	$ 37.92	(50)	$ 34.65
OUTSTANDING - DECEMBER 31	**1,600**	**$ 41.92**	**834**	**$ 39.45**	**430**	**$ 34.73**

At the end of 2012, approximately 955 employees held 1.6 million strategic performance shares and $26 million of related compensation expense was expected to be recognized over the next two years. For strategic performance shares subject to a performance condition, the amount of expense may vary based on actual performance in 2013 and 2014.

NOTE 22 Leases, Rentals and Outsourced Service Arrangements

The Company has several operating leases, primarily for office space, with a weighted average term of approximately 9 years. Some of these leases include renewal options and other incentives that are amortized over the life of the lease. Rental expenses for operating leases amounted to $130 million in 2012, $115 million in 2011 and $127 million in 2010. As of December 31, 2012, future net minimum rental payments under non-cancelable operating leases were approximately $570 million, payable as follows (in millions): $116 in 2013, $108 in 2014, $82 in 2015, $65 in 2016, $43 in 2017 and $156 thereafter.

The Company also has several outsourced service arrangements with third parties, primarily for human resource and information technology support services. The initial service periods under these arrangements range from seven to eight years and their related costs are reported consistent with operating leases over the service period based on the pattern of use. The Company recorded in other operating expenses $86 million in 2012, $116 million in 2011 and $114 million in 2010 for these arrangements.

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NOTE 23 Segment Information

Effective December 31, 2012, Cigna changed its external reporting segments to reflect the Company's realignment of its businesses to better leverage distribution and service delivery capabilities for the benefit of our global clients and customers. Management believes the realignment of its businesses will enable the Company to more effectively address global health services challenges by leveraging best practices across geographies to improve the health, well being and sense of security of the global customers that the Company serves. The changes in the Company's internal financial reporting structure, to support this realignment, took effect on December 31, 2012 and resulted in changes to our external reporting segments. The Company's results are now aggregated based on the nature of the Company's products and services, rather than its geographies.

The primary segment reporting change is that the two businesses that comprised the former International segment (international health care and supplemental health, life and accident) are now reported as follows:

- substantially all of the international health care business (comprised primarily of the global health benefits business) is now reported with the former Health Care segment and renamed ***Global Health Care***; and
- the supplemental health, life and accident business becomes a separate reporting segment named ***Global Supplemental Benefits***.

As a result of these changes, the financial results of Cigna's businesses are now reported in the following segments:

Global Health Care aggregates the following two operating segments:

- The ***Commercial*** operating segment includes both the U.S. commercial and international health care businesses that offer insured and self-insured medical, dental, behavioral health, vision, and prescription drug benefit plans, health advocacy programs and other products and services that may be integrated to provide comprehensive global health care benefit programs to employers and their employees, including globally mobile individuals. Cigna, either directly or through its partners, offers some or all of these products and services in all 50 states, the District of Columbia, the U.S. Virgin Islands, Canada, Europe, the Middle East, and Asia. Cigna services its globally mobile customers virtually everywhere in the world. These products and services are offered through a variety of funding arrangements such as administrative services only (ASO), guaranteed cost and retrospectively experience rated.
- The ***Government*** operating segment offers Medicare Advantage plans to seniors in 13 states and the District of Columbia, Medicare Part D plans in all 50 states and the District of Columbia and Medicaid plans.

Global Supplemental Benefits includes supplemental health, life and accident insurance products offered in the U.S. and foreign markets, primarily in Asia as well as Medicare supplemental coverage following the 2012 acquisition of Great American Supplemental Benefits.

Group Disability and Life represents group disability, life and accident insurance products, including certain disability and life insurance business previously reported in the former Health Care segment.

Run-off Reinsurance is predominantly comprised of GMDB and GMIB business. On December 31, 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar Group Limited and transferring the ongoing administration of this business to the reinsurer.

The Company also reports results in two other categories.

Other Operations consist of:

- corporate-owned life insurance ("COLI");
- deferred gains recognized from the 1998 sale of the individual life insurance and annuity business and the 2004 sale of the retirement benefits business; and
- run-off settlement annuity business.

Corporate reflects amounts not allocated to other segments, such as net interest expense (defined as interest on corporate debt less net investment income on investments not supporting segment operations), interest on uncertain tax positions, certain litigation matters, intersegment eliminations, compensation cost for stock options and certain corporate overhead expenses such as directors' expenses.

In 2010, the Company began reporting the expense associated with its frozen pension plans in Corporate. Prior periods were not restated as the effect on prior periods was not material.

The Company measures the financial results of its segments using "segment earnings (loss)", which is defined as shareholders' income (loss) from continuing operations before after-tax realized investment results. The Company determines segment earnings (loss)

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consistent with accounting policies used in preparing the consolidated financial statements, except that amounts included in Corporate are not allocated to segments. The Company allocates certain other operating expenses, such as systems and other key corporate overhead expenses, on systematic bases. Income taxes are generally computed as if each segment were filing a separate income tax return. The Company does not report total assets by segment since this is not a metric used to allocate resources or evaluate segment performance.

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Summarized segment financial information for the years ended December 31 was as follows:

(In millions)	2012	2011	2010
Global Health Care			
Premiums and fees:			
Medical:			
Guaranteed cost [(1)]	$ 4,256	$ 4,176	$ 3,929
Experience-rated [(2)]	2,022	1,934	1,823
Stop loss	1,672	1,451	1,287
International health care	1,648	1,344	976
Dental	1,005	894	804
Medicare	4,969	489	1,470
Medicaid	207	-	-
Medicare Part D	1,421	685	615
Other	677	600	543
Total medical	17,877	11,573	11,447
Fees [(3)]	3,096	2,870	2,687
Total premiums and fees	20,973	14,443	14,134
Mail order pharmacy revenues	1,623	1,447	1,420
Other revenues	225	236	269
Net investment income	259	263	230
Segment revenues	$ 23,080	$ 16,389	$ 16,053
Depreciation and amortization	$ 500	$ 297	$ 255
Income taxes	$ 793	$ 616	$ 520
Segment earnings	$ 1,418	$ 1,105	$ 940

(1) Excludes the international health care business.

(2) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also includes certain non-participating cases for which special customer level reporting of experience is required.

(3) Includes fees related to the international health care business. Fees related to Medicare Part D of $61 million in 2011 and $57 million in 2010 have been reclassified to premiums to conform to current presentation.

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(In millions)	2012	2011	2010
Group Disability and Life			
Premiums and fees:			
Life	$ 1,426	$ 1,333	$ 1,341
Disability	1,413	1,268	1,167
Other	270	256	262
Total	3,109	2,857	2,770
Other revenues	-	-	123
Net investment income	300	291	287
Segment revenues	$ 3,409	$ 3,148	$ 3,180
Depreciation and amortization	$ 10	$ 10	$ 8
Income taxes	$ 116	$ 113	$ 127
Segment earnings	$ 279	$ 295	$ 305
Global Supplemental Benefits			
Premiums and fees	$ 1,984	$ 1,528	$ 1,231
Other revenues	21	15	22
Net investment income	90	83	69
Segment revenues	$ 2,095	$ 1,626	$ 1,322
Depreciation and amortization	$ 28	$ 13	$ 8
Income taxes	$ 36	$ 36	$ 42
Equity in income of investees	$ 10	$ 15	$ 18
Segment earnings	$ 142	$ 97	$ 84
Run-off Reinsurance			
Premiums and fees and other revenues	$ (98)	$ 20	$ (133)
Net investment income	102	103	114
Segment revenues	$ 4	$ 123	$ (19)
Income tax benefits	$ -	$ (99)	$ (136)
Segment earnings (loss)	$ -	$ (183)	$ 26
Other Operations			
Premiums and fees and other revenues	$ 155	$ 169	$ 174
Net investment income	388	400	404
Segment revenues	$ 543	$ 569	$ 578
Depreciation and amortization	$ 22	$ 25	$ 21
Income taxes	$ 43	$ 29	$ 39
Segment earnings	$ 82	$ 89	$ 85
Corporate			
Other revenues and eliminations	$ (61)	$ (58)	$ (62)
Net investment income	5	6	1
Segment revenues	$ (56)	$ (52)	$ (61)
Income tax benefits	$ (148)	$ (101)	$ (98)
Segment loss	$ (329)	$ (184)	$ (211)
Realized investment gains			
Realized investment gains	$ 44	$ 62	$ 75

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Income taxes	13	21	25
Realized investment gains net of taxes and noncontrolling interest	$ 31	$ 41	$ 50
Total			
Premiums and fees and other revenues	$ 26,308	$ 19,210	$ 18,528
Mail order pharmacy revenues	1,623	1,447	1,420
Net investment income	1,144	1,146	1,105
Realized investment gains	44	62	75
Total revenues	$ 29,119	$ 21,865	$ 21,128
Depreciation and amortization	$ 560	$ 345	$ 292
Income taxes	$ 853	$ 615	$ 519
Segment earnings	$ 1,592	$ 1,219	$ 1,229
Realized investment gains, net of taxes and noncontrolling interest	$ 31	$ 41	$ 50
Shareholders' net income	$ 1,623	$ 1,260	$ 1,279

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Premiums and fees, mail order pharmacy revenues and other revenues by product type were as follows for the years ended December 31:

(In millions)	2012	2011	2010
Medical	$ 20,973	$ 14,443	$ 14,134
Disability	1,413	1,268	1,167
Supplemental Health, Life, and Accident	3,680	3,117	2,834
Mail order pharmacy	1,623	1,447	1,420
Other	242	382	393
TOTAL	**$ 27,931**	**$ 20,657**	**$ 19,948**

Premiums and fees, mail order pharmacy revenues and other revenues by geographic location were as follows for the years ended December 31:

(In millions)	2012	2011	2010
U.S.	$ 25,217	$ 18,522	$ 18,326
South Korea	1,076	909	717
All other foreign	1,638	1,226	905
TOTAL	**$ 27,931**	**$ 20,657**	**$ 19,948**

Consolidated pre-tax income from continuing operations is primarily attributable to domestic operations. Consolidated pre-tax income from continuing operations generated by the Company's foreign operations was approximately 8% in 2012, 10% in 2011 and 9% in 2010.

Concentration of risk. For the Company's Global Supplemental Benefits segment, South Korea is the single largest geographic market. South Korea generated 54% of the segment's revenues and 90% of the segment's earnings in 2012. Due to the concentration of business in South Korea, the Global Supplemental Benefits segment is exposed to potential losses resulting from economic and geopolitical developments in that country, as well as foreign currency movements affecting the South Korean currency, that could have a significant impact on the segment's results and the Company's consolidated financial results.

NOTE 24 Contingencies and Other Matters

The Company, through its subsidiaries, is contingently liable for various guarantees provided in the ordinary course of business.

A. Financial Guarantees Primarily Associated with the Sold Retirement Benefits Business

Separate account assets are contractholder funds maintained in accounts with specific investment objectives. The Company records separate account liabilities equal to separate account assets. In certain cases, primarily associated with the sold retirement benefits business (that was sold in April 2004), the Company guarantees a minimum level of benefits for retirement and insurance contracts written in separate accounts. The Company establishes an additional liability if management believes that the Company will be required to make a payment under these guarantees.

The Company guarantees that separate account assets will be sufficient to pay certain retiree or life benefits. The sponsoring employers are primarily responsible for ensuring that assets are sufficient to pay these benefits and are required to maintain assets that exceed a certain percentage of benefit obligations. This percentage varies depending on the asset class within a sponsoring employer's portfolio (for example, a bond fund would require a lower percentage than a riskier equity fund) and thus will vary as the composition of the portfolio changes. If employers do not maintain the required levels of separate account assets, the Company or an affiliate of the buyer has the right to redirect the management of the related assets to provide for benefit payments. As of December 31, 2012, employers maintained assets that exceeded the benefit obligations. Benefit obligations under these arrangements were $559 million as of December 31, 2012. As of December 31, 2012, approximately 21% of these guarantees are reinsured by an affiliate of the buyer of the retirement benefits business. The remaining guarantees are provided by the Company with minimal reinsurance from third parties. There were no additional liabilities required for these guarantees as of December 31, 2012. Separate account assets supporting these guarantees are classified in Levels 1 and 2 of the GAAP fair value hierarchy. See Note 11 for further information on the fair value hierarchy.

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The Company does not expect that these financial guarantees will have a material effect on the Company's consolidated results of operations, liquidity or financial condition.

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B. Guaranteed Minimum Income Benefit Contracts

See Notes 11 (fair value) and 13 (derivatives) for further information on GMIB contracts. Under these guarantees, the future payment amounts are dependent on equity and bond fund market and interest rate levels prior to and at the date of annuitization election, that must occur within 30 days of a policy anniversary, after the appropriate waiting period. Therefore, the future payments are not fixed and determinable under the terms of the contract. Accordingly, the Company's maximum potential undiscounted future payment of $1.1 billion was determined using the following hypothetical assumptions:

- no annuitants surrendered their accounts;
- all annuitants lived to elect their benefit;
- all annuitants elected to receive their benefit on the next available date (2013 through 2018); and
- all underlying mutual fund investment values remained at the December 31, 2012 value of $1.1 billion with no future returns.

The Company has retrocessional coverage in place from two external reinsurers that covers 55% of the exposures on these contracts. The Company reinsured the remainder of the exposures on these contracts effective February 4, 2013. The Company bears the risk of loss if its retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company.

C. Certain Other Guarantees

The Company had indemnification obligations to lenders of up to $331 million as of December 31, 2012, related to borrowings by certain real estate joint ventures that the Company either records as an investment or consolidates. These borrowings, that are nonrecourse to the Company, are secured by the joint ventures' real estate properties with fair values in excess of the loan amounts and mature at various dates beginning in 2013 through 2042. The Company's indemnification obligations would require payment to lenders for any actual damages resulting from certain acts such as unauthorized ownership transfers, misappropriation of rental payments by others or environmental damages. Based on initial and ongoing reviews of property management and operations, the Company does not expect that payments will be required under these indemnification obligations. Any payments that might be required could be recovered through a refinancing or sale of the assets. In some cases, the Company also has recourse to partners for their proportionate share of amounts paid. There were no liabilities required for these indemnification obligations as of December 31, 2012.

As of December 31, 2012, the Company guaranteed that it would compensate the lessors for a shortfall of up to $41 million in the market value of certain leased equipment at the end of the lease. Guarantees of $16 million expire in 2016 and $25 million expire in 2025. The Company had liabilities for these guarantees of $2 million as of December 31, 2012.

The Company had indemnification obligations as of December 31, 2012 in connection with acquisition and disposition transactions. These indemnification obligations are triggered by the breach of representations or covenants provided by the Company, such as representations for the presentation of financial statements, the filing of tax returns, compliance with law or the identification of outstanding litigation. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential amount due is subject to contractual limitations based on a percentage of the transaction purchase price, while in other cases limitations are not specified or applicable. The Company does not believe that it is possible to determine the maximum potential amount due under these obligations, since not all amounts due under these indemnification obligations are subject to limitation. There were no liabilities for these indemnification obligations as of December 31, 2012.

The Company does not expect that these guarantees will have a material adverse effect on the Company's consolidated results of operations, financial condition or liquidity.

D. Regulatory and Industry Developments

Employee benefits regulation. The business of administering and insuring employee benefit programs, particularly health care programs, is heavily regulated by federal and state laws and administrative agencies, such as state departments of insurance and the Federal Departments of Labor and Justice, as well as the courts. Regulation, legislation and judicial decisions have resulted in changes to industry and the Company's business practices and will continue to do so in the future. In addition, the Company's subsidiaries are routinely

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involved with various claims, lawsuits and regulatory and IRS audits and investigations that could result in financial liability, changes in business practices, or both.

Health care regulation and legislation in its various forms, including the implementation of the Patient Protection and Affordable Care Act (including the Reconciliation Act) that was signed into law during the first quarter of 2010 and found to be constitutional by the U.S. Supreme Court in June of 2012, could have a material adverse effect on the Company's health care operations if it inhibits the Company's ability to respond to market demands, adversely affects the way the Company does business, or results in increased medical or administrative costs without improving the quality of care or services.

Other possible regulatory and legislative changes or judicial decisions that could have an adverse effect on the Company's employee benefits businesses include:

- additional mandated benefits or services that increase costs;
- legislation that would grant plan participants broader rights to sue their health plans;
- changes in public policy and in the political environment, that could affect state and federal law, including legislative and regulatory proposals related to health care issues, that could increase cost and affect the market for the Company's health care products and services;
- changes in Employee Retirement Income Security Act of 1974 ("ERISA") regulations resulting in increased administrative burdens and costs;

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additional restrictions on the use of prescription drug formularies and rulings from pending purported class action litigation, that could result in adjustments to or the elimination of the average wholesale price of pharmaceutical products as a benchmark in establishing certain rates, charges, discounts, guarantees and fees for various prescription drugs;

additional privacy legislation and regulations that interfere with the proper use of medical information for research, coordination of medical care and disease and disability management;

additional variations among state laws mandating the time periods and administrative processes for payment of health care provider claims;

legislation that would exempt independent physicians from antitrust laws; and

changes in federal tax laws, such as amendments that could affect the taxation of employer provided benefits.

The employee benefits industry remains under scrutiny by various state and federal government agencies and could be subject to government efforts to bring criminal actions in circumstances that could previously have given rise only to civil or administrative proceedings.

Guaranty fund assessments. The Company operates in a regulatory environment that may require the Company to participate in assessments under state insurance guaranty association laws. The Company's exposure for certain obligations of insolvent insurance companies to policyholders and claimants to assessments is based on its share of business it writes in the relevant jurisdictions. For the years ended December 31, 2012, 2011, and 2010, charges related to guaranty fund assessments were not material to the Company's results of operations.

The Company is aware of an insurer that is in rehabilitation, an intermediate action before insolvency. On May 3, 2012, the state court denied the regulator's amended petitions for liquidation and set forth specific requirements and a deadline for the regulator to develop a plan of rehabilitation without liquidating the insurer. On May 14, 2012 the regulator filed a post-trial motion requesting the court to reconsider its decision. On September 28, 2012, an Order of Judgment was entered finalizing the court's opinion that the insurer is not insolvent and remains in rehabilitation. The regulator has appealed the court's decision. If the state court's decision is reversed and the insurer is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of policyholder claims through guaranty fund assessments from various states in which the Company's insurance subsidiaries write premiums. Based on current information available, in the event of a reversal of the state court decision and liquidation of the insurer, the Company has estimated that potential future assessments could result in future charges totaling approximately $60 million after-tax. The Company will continue to monitor the outcome of the court's deliberations.

E. Litigation and Other Legal Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory and IRS audits, investigations and other legal matters arising, for the most part, in the ordinary course of managing a health services business, including payments to providers and benefit level disputes. Such legal matters include benefit claims, breach of contract claims, tort claims, disputes regarding reinsurance arrangements, employment related suits, employee benefit claims, wage and hour claims, and intellectual property and real estate related disputes. Litigation of income tax matters is accounted for under FASB's accounting guidance for uncertainty in income taxes. Further information can be found in Note 20. The outcome of litigation and other legal matters is always uncertain, and unfavorable outcomes that are not justified by the evidence can occur. The Company believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously.

When the Company (in the course of its regular review of pending litigation and legal matters) has determined that a material loss is reasonably possible, the matter is disclosed including an estimate or range of loss or a statement that such an estimate cannot be made. In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount or range of any loss. In accordance with applicable accounting guidance, when litigation and regulatory matters present loss contingencies that are both probable and estimable, the Company accrues the estimated loss by a charge to income. The amount accrued represents the Company's best estimate of the probable loss. If only a range of estimated losses can be determined, the Company accrues an amount within the range that, in the Company's judgment, reflects the most likely outcome; if none of the estimates within that range is a better

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estimate than any other amount, the Company accrues at the low end of the range. In cases that the Company has accrued an estimated loss, the accrued amount may differ materially from the ultimate amount of the relevant costs.

The Company increased its reserves by $124 million pre-tax ($81 million after-tax) during 2012, primarily relating to developments in the Amara matter as discussed below, resulting in pre-tax reserves for these matters of $189 million ($123 million after-tax) as of December 31, 2012. Due to numerous uncertain factors presented in these cases, it is not possible to estimate an aggregate range of loss (if any) for these matters at this time.

Except as otherwise noted, the Company believes that the legal actions, proceedings and investigations currently pending against it should not have a material adverse effect on the Company's results of operations, financial condition or liquidity based upon current knowledge and taking into consideration current accruals. However, in light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed the amounts currently accrued by the Company and that an adverse outcome in one or more of these matters could be material to the Company's results of operation, financial condition or liquidity for any particular period.

Amara cash balance pension plan litigation. On December 18, 2001, Janice Amara filed a class action lawsuit, captioned *Janice C. Amara, Gisela R. Broderick, Annette S. Glanz, individually and on behalf of all others similarly situated v. Cigna Corporation and Cigna Pension Plan,* in the United States District Court for the District of Connecticut against Cigna Corporation and the Cigna Pension Plan on behalf of herself and other similarly situated participants in the Cigna Pension Plan affected by the 1998 conversion to a cash balance

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formula. The plaintiffs allege various ERISA violations including, among other things, that the Plan's cash balance formula discriminates against older employees; the conversion resulted in a wear away period (when the pre-conversion accrued benefit exceeded the post-conversion benefit); and these conditions are not adequately disclosed in the Plan.

In 2008, the court issued a decision finding in favor of Cigna Corporation and the Cigna Pension Plan on the age discrimination and wear away claims. However, the court found in favor of the plaintiffs on many aspects of the disclosure claims and ordered an enhanced level of benefits from the existing cash balance formula for the majority of the class, requiring class members to receive their frozen benefits under the pre-conversion Cigna Pension Plan and their post-1997 accrued benefits under the post-conversion Cigna Pension Plan. The court also ordered, among other things, pre-judgment and post-judgment interest.

Both parties appealed the court's decisions to the United States Court of Appeals for the Second Circuit that issued a decision on October 6, 2009 affirming the District Court's judgment and order on all issues. On January 4, 2010, both parties filed separate petitions for a writ of certiorari to the United States Supreme Court. Cigna's petition was granted, and on May 16, 2011, the Supreme Court issued its Opinion in which it reversed the lower courts' decisions and remanded the case to the trial judge for reconsideration of the remedy. The Court unanimously agreed with the Company's position that the lower courts erred in granting a remedy for an inaccurate plan description under an ERISA provision that allows only recovery of plan benefits. However, the decision identified possible avenues of "appropriate equitable relief" that plaintiffs may pursue as an alternative remedy. The case was returned to the trial court and hearings took place on December 9, 2011 and March 29-30, 2012. Over the summer, the trial judge passed away after a long illness and the case was re-assigned. On December 20, 2012, the new trial judge issued a decision awarding equitable relief to the class. The court's order requires the Company to reform the pension plan to provide a substantially identical remedy to that ordered by the first trial judge in 2008. Both parties appealed the order and the judge stayed implementation of the order pending resolution of the appeals. In light of the re-affirmed remedy ordered by the District Court, the Company was required to re-evaluate its reserve for this case. Due to the current economic environment of low interest rates that have a significant impact on the valuation of potential future pension benefits, the Company was required to increase its reserve for this matter in the fourth quarter of 2012. The Company will continue to vigorously defend its position in this case.

Ingenix. On February 13, 2008, State of New York Attorney General Andrew M. Cuomo announced an industry-wide investigation into the use of data provided by Ingenix, Inc., a subsidiary of UnitedHealthcare, used to calculate payments for services provided by out-of-network providers. The Company received four subpoenas from the New York Attorney General's office in connection with this investigation and responded appropriately. On February 17, 2009, the Company entered into an Assurance of Discontinuance resolving the investigation. In connection with the industry-wide resolution, the Company contributed $10 million to the establishment of a new non-profit company that now compiles and provides the data formerly provided by Ingenix.

The Company was named as a defendant in a number of putative nationwide class actions asserting that due to the use of data from Ingenix, Inc., the Company improperly underpaid claims, an industry-wide issue. All of the class actions were consolidated into *Franco v. Connecticut General Life Insurance Company et al.,* that is pending in the United States District Court for the District of New Jersey. The consolidated amended complaint, filed on August 7, 2009, asserts claims under ERISA, the RICO statute, the Sherman Antitrust Act and New Jersey state law on behalf of subscribers, health care providers and various medical associations.

On September 23, 2011, the court granted in part and denied in part the Company's motion to dismiss the consolidated amended complaint. The court dismissed all claims by the health care provider and medical association plaintiffs for lack of standing to sue, and as a result the case will proceed only on behalf of subscribers. In addition, the court dismissed all of the antitrust claims, the ERISA claims based on disclosure and the New Jersey state law claims. The court did not dismiss the ERISA claims for benefits and claims under the RICO statute.

Plaintiffs filed a motion to certify a nationwide class of subscriber plaintiffs on December 19, 2011, which was denied on January 16, 2013. Plaintiffs petitioned for an immediate appeal of the order denying class certification, that the Company opposed.

It is reasonably possible that others could initiate additional litigation or additional regulatory action against the Company with respect to use of data provided by Ingenix, Inc. The Company denies the allegations asserted in the investigations and litigation and will vigorously defend itself in these matters.

NOTE 25 Subsequent Event – Reinsurance of GMDB and GMIB Business

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Effective February 4, 2013, the Company entered into an agreement with Berkshire Hathaway Life Insurance Company of Nebraska (Berkshire) to reinsure the GMDB and GMIB businesses. Berkshire will reinsure 100% of the Company's future claim payments, net of retrocessional arrangements in place prior to February 4, 2013, for a reinsurance premium of $2.2 billion. The reinsurance agreement is subject to an overall limit of approximately $3.8 billion plus future premiums collected under the contracts being reinsured that will be paid to Berkshire. The Company estimates that these future premium amounts will be from $0.1 to $0.3 billion and, accordingly, expects future claims of approximately $4 billion to be covered by the agreement.

This reinsurance premium will be recorded in the first quarter of 2013 resulting in an after-tax impact to shareholders' net income of approximately $500 million. Premium of $725 million was paid on February 4, 2013 with the remainder to be paid by April 30, 2013. This premium will ultimately be funded from the sale or internal transfer of investment assets that were supporting this book of business, as well as tax benefits related to the transaction, and cash.

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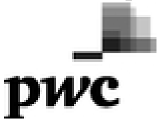

Report of Independent Registered Public Accounting Firm

To the Board of Directors
and Shareholders of Cigna Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income and changes in total equity and cash flows present fairly, in all material respects, the financial position of Cigna Corporation and its subsidiaries ("the Company") at December 31, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, as of January 1, 2012, the Company retrospectively adopted a new accounting standard that amends the accounting for costs incurred by insurance companies that can be capitalized in connection with acquiring or renewing insurance contracts.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Annual Report on Internal Control over Financial Reporting, management has excluded Great American Supplemental Benefits Group from its assessment of internal control over financial reporting as of December 31, 2012 because it was acquired by the Company in a purchase business combination during the year ended December 31, 2012. We have also excluded Great American Supplemental Benefits Group from our audit of internal control over financial reporting. Great American Supplemental

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Benefits Group's total assets acquired represent approximately 2% of consolidated total assets as of December 31, 2012; total revenues acquired represent less than 1% of consolidated total revenues for the year ended December 31, 2012.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

February 28, 2013

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Quarterly Financial Data *(unaudited)*

The following unaudited quarterly financial data is presented on a consolidated basis for each of the years ended December 31, 2012 and December 31, 2011. Quarterly financial results necessarily rely heavily on estimates. This and certain other factors, such as the seasonal nature of portions of the insurance business, suggest the need to exercise caution in drawing specific conclusions from quarterly consolidated results. Certain reclassifications have been made to previously reported quarterly amounts to conform to the current presentation. See Note 2 to the Consolidated Financial Statements for additional information.

		Three Months Ended			
(In millions, except per share amounts)		March 31	June 30	Sept. 30	Dec. 31
Consolidated Results					
2012					
Total revenues		$ 6,754	$ 7,422	$ 7,323	$ 7,620
Income from continuing operations before income taxes		552	588	718	619
Shareholders' net income		371 (1)	380 (2)	466 (3)	406 (4)
Shareholders' net income per share:		1			
Basic		1.30	1.33	1.64	1.43
Diluted		1.28	1.31	1.61	1.41
2011					
Total revenues		$ 5,387	$ 5,479	$ 5,574	$ 5,425
Income from continuing operations before income taxes		579	592	273	432
Shareholders' net income		413 (5)	391 (6)	183 (7)	273 (8)
Shareholders' net income per share:					
Basic		1.53	1.46	0.68	0.99
Diluted		1.51	1.43	0.67	0.98
Stock and Dividend Data					
2012					
Price range of common stock	- high	$ 49.89	$ 49.63	$ 47.92	$ 54.53
	- low	$ 41.27	$ 42.21	$ 39.34	$ 47.31
Dividends declared per common share		$ 0.04	$ -	$ -	$ -
2011					
Price range of common stock	- high	$ 44.29	$ 51.81	$ 52.95	$ 47.61
	- low	$ 36.76	$ 42.80	$ 40.24	$ 38.82
Dividends declared per common share		$ 0.04	$ -	$ -	$ -

(1) *The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.*

(2) *The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.*

(3) *The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.*

(4) *The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters.*

(5) *The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.*

(6)

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The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

(7) *The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.*

(8) *The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.*

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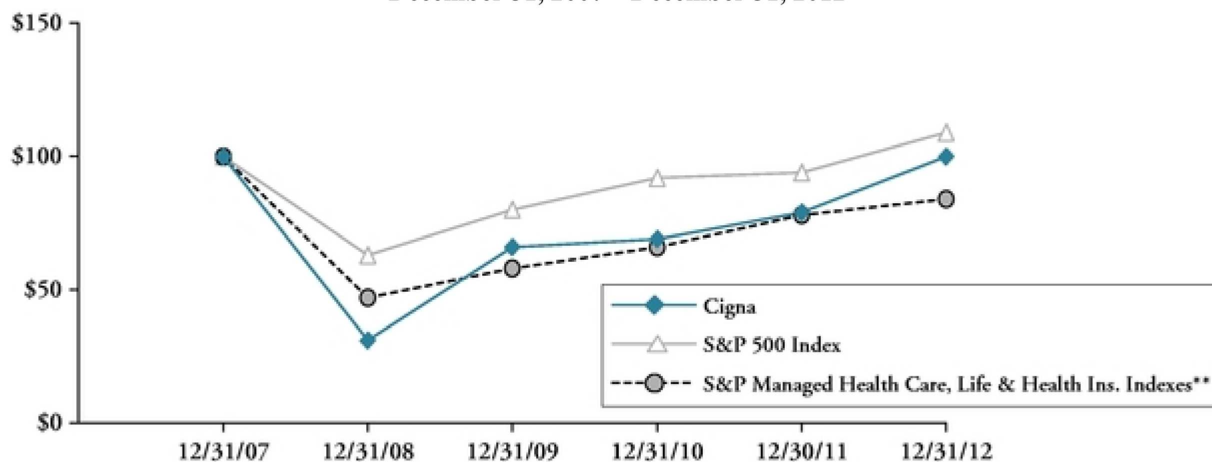
Five Year Cumulative Total Shareholder Return*
December 31, 2007 – December 31, 2012



	12/31/07	12/31/08	12/31/09	12/31/10	12/30/11	12/31/12
Cigna	$ 100	$ 31	$ 66	$ 69	$ 79	$ 100
S&P 500 Index	$ 100	$ 63	$ 80	$ 92	$ 94	$ 109
S&P Mgd. Health Care, Life & Health Ins. Indexes**	$ 100	$ 47	$ 58	$ 66	$ 78	$ 84

* *Assumes that the value of the investment in Cigna common stock and each index was $100 on December 31, 2007 and that all dividends were reinvested.*

** *Weighted average of S&P Managed Health Care (75%) and Life & Health Insurance (25%) Indexes.*

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ITEM 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A Controls and Procedures

A. Disclosure Controls and Procedures

Based on an evaluation of the effectiveness of Cigna's disclosure controls and procedures conducted under the supervision and with the participation of Cigna's management, Cigna's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, Cigna's disclosure controls and procedures are effective to ensure that information required to be disclosed by Cigna in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

B. Internal Control Over Financial Reporting

Management's Annual Report on Internal Control over Financial Reporting

The Company's management report on internal control over financial reporting under the caption "Management's Annual Report on Internal Control over Financial Reporting" on page 62 in this Form 10-K.

Attestation Report of the Registered Public Accounting Firm

The attestation report of Cigna's independent registered public accounting firm, on the effectiveness of Cigna's internal control over financial reporting appears under the caption "Report of Independent Registered Public Accounting Firm" on page 126 of this Form 10-K.

Changes in Internal Control Over Financial Reporting

During the period covered by this report, other than the changes resulting from the HealthSpring, Inc. acquisition discussed below, there have been no changes in Cigna's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Cigna's internal control over financial reporting.

On January 31, 2012, the Company acquired HealthSpring, Inc. The Company is in the process of integrating HealthSpring, Inc. operations, processes and internal controls. See Note 3 to the Consolidated Financial Statements for additional information related to the HealthSpring, Inc. acquisition.

ITEM 9B Other Information

None.

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PART III">

PART III

ITEM 10 Directors and Executive Officers of the Registrant

Directors of the Registrant">

A. Directors of the Registrant

The information under the captions "The Board of Directors' Nominees for Terms to Expire in April 2016," "Directors Who Will Continue in Office," "Board of Directors and Committee Meetings, Membership, Attendance and Independence" (as it relates to Audit Committee disclosure), and "Section 16(a) Beneficial Ownership Reporting Compliance" in Cigna's proxy statement to be dated on or about March 15, 2013 is incorporated by reference. Executive Officers of the Registrant">

B. Executive Officers of the Registrant

See PART I - "Executive Officers of the Registrant on page 29 in this Form 10-K." Code of Ethics and Other Corporate Governance Disclosures">

C. Code of Ethics and Other Corporate Governance Disclosures

Cigna's Code of Ethics is the Company's code of business conduct and ethics, and applies to Cigna's directors, officers (including the chief executive officer, chief financial officer and chief accounting officer) and employees. The Code of Ethics is posted on the Corporate Governance section found on the "About Cigna" page of the Company's website, www.cigna.com. In the event the Company substantively amends its Code of Ethics or waives a provision of the Code, Cigna intends to disclose the amendment or waiver on the Corporate Governance section of the Company's website.

In addition, the Company's corporate governance guidelines (Board Practices) and the charters of its board committees (audit, corporate governance, executive, finance and people resources) are available on the Corporate Governance section of the Company's website. These corporate governance documents, as well as the Code of Ethics, are available in print to any shareholder who requests them.

ITEM 11 Executive Compensation

The information under the captions "Director Compensation," "Report of the People Resources Committee," "Compensation Discussion and Analysis" and "Executive Compensation" in Cigna's proxy statement to be dated on or about March 15, 2013 is incorporated by reference.

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ITEM 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table presents information regarding Cigna's equity compensation plans as of December 31, 2012:

Plan Category	(a) [1] Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights	(b) [2] Weighted Average Exercise Price Per Share Of Outstanding Options, Warrants And Rights	(c) [3] Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (a))
Equity Compensation Plans Approved by Security Holders	12,393,377	$ 36.29	8,845,753
Equity Compensation Plans Not Approved by Security Holders	-	-	-
TOTAL	**12,393,377**	**$ 36.29**	**8,845,753**

(1) Includes, in addition to outstanding stock options, 129,951 restricted stock units, 99,177 deferred shares, 12,739 director deferred share units that settle in shares, and 3,200,998 strategic performance shares, which are reported at the maximum 200% payout rate. Also includes 919,158 shares of common stock underlying stock option awards granted under the HealthSpring, Inc. Amended and Restated 2006 Equity Incentive Plan and 26,304 shares of common stock underlying stock option awards granted under the NewQuest Holdings, Inc. 2005 Stock Option Plan, each of which was approved by the applicable company's shareholders before Cigna's acquisition of HealthSpring in January 2012.

(2) The weighted-average exercise price is based only on outstanding stock options. The outstanding stock options assumed due to Cigna's acquisition of HealthSpring, Inc. have a weighted-average exercise price of $16.79. Excluding these assumed options results in a weighted-average exercise price of $38.59.

(3) Includes 399,038 shares of common stock available as of the close of business December 31, 2012 for future issuance under the Cigna Directors Equity Plan and 8,446,715 shares of common stock available as of the close of business on December 31, 2012 for future issuance under the Cigna Long-Term Incentive Plan as shares of restricted stock, strategic performance shares, shares in payment of dividend equivalent rights, shares in lieu of cash payable under the Company's other short- and long-term incentive compensation plans and non-tax qualified supplemental retirement benefit plans, or shares in payment of SPSs or SPUs.

The information under the captions "Stock held by Directors, Nominees and Executive Officers" and "Largest Security Holders" in Cigna's proxy statement to be dated on or about March 15, 2013 is incorporated by reference.

ITEM 13 Certain Relationships and Related Transactions

The information under the caption "Certain Transactions" in Cigna's proxy statement to be dated on or about March 15, 2013 is incorporated by reference.

ITEM 14 Principal Accounting Fees and Services

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The information under the captions "Policy for the Pre-Approval of Audit and Non-Audit Services" and "Fees to Independent Registered Public Accounting Firm" in Cigna's proxy statement to be dated on or about March 15, 2013 is incorporated by reference.

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PART IV">

PART IV

ITEM 15 Exhibits and Financial Statement Schedules

(a) (1) The following Financial Statements appear on pages 64 through 126:

Consolidated Statements of Income for the years ended December 31, 2012, 2011 and 2010.

Consolidated Statements of Comprehensive Income for the years ended December 31, 2012, 2011 and 2010.

Consolidated Balance Sheets as of December 31, 2012 and 2011.

Consolidated Statements of Changes in Total Equity for the years ended December 31, 2012, 2011 and 2010.

Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010.

Notes to the Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm.

(2) The financial statement schedules are listed in the Index to Financial Statement Schedules on page FS-1.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CIGNA CORPORATION

Date:	February 28, 2013
By:	/s/ Ralph J. Nicoletti
	Ralph J. Nicoletti
	Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of February 28, 2013.

Signature	Title
/s/ David M. Cordani	*Chief Executive Officer and Director (Principal Executive Officer)*
David M. Cordani	
/s/ Ralph J. Nicoletti	*Executive Vice President and Chief Financial Officer (Principal Financial Officer)*
Ralph J. Nicoletti	
/s/ Mary T. Hoeltzel	*Vice President and Chief Accounting Officer (Principal Accounting Officer)*
Mary T. Hoeltzel	
/s/ Eric J. Foss	*Director*
Eric J. Foss	
/s/ Isaiah Harris, Jr.	*Chairman of the Board*
Isaiah Harris, Jr.	
/s/ Jane E. Henney, M.D.	*Director*
Jane E. Henney, M.D.	
/s/ Roman Martinez IV	*Director*
Roman Martinez IV	
/s/ John M. Partridge	*Director*
John M. Partridge	
/s/ James E. Rogers	*Director*
James E. Rogers	
/s/ Joseph P. Sullivan	*Director*
Joseph P. Sullivan	
/s/ Eric C. Wiseman	*Director*
Eric C. Wiseman	
/s/ Donna F. Zarcone	*Director*
Donna F. Zarcone	
/s/ William D. Zollars	*Director*
William D. Zollars	

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INDEX TO FINANCIAL STATEMENT SCHEDULES

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II – Condensed Financial Information of Cigna Corporation (Registrant)	FS-4
III – Supplementary Insurance Information	FS-9
IV – Reinsurance	FS-11
V – Valuation and Qualifying Accounts and Reserves	FS-12

Schedules other than those listed above are omitted because they are not required or are not applicable, or the required information is shown in the financial statements or notes thereto.

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Report of Independent Registered Public Accounting Firm on Financial Statement Schedules

To the Board of Directors and Shareholders of Cigna Corporation

Our audits of the consolidated financial statements and of the effectiveness of internal control over financial reporting referred to in our report dated February 28, 2013 (which report and consolidated financial statements are included under Item 8 in this Annual Report on Form 10-K) also included an audit of the financial statement schedules listed in Item 15(a)(2) of this Form 10-K. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

As discussed in Note 2 to the consolidated financial statements, as of January 1, 2012, the Company retrospectively adopted a new accounting standard that amends the accounting for costs incurred by insurance companies that can be capitalized in connection with acquiring or renewing insurance contracts.

As described in Management's Annual Report on Internal Control over Financial Reporting, management has excluded Great American Supplemental Benefits Group from its assessment of internal control over financial reporting as of December 31, 2012 because it was acquired by the Company in a purchase business combination during the year ended December 31, 2012. We have also excluded Great American Supplemental Benefits Group from our audit of internal control over financial reporting. Great American Supplemental Benefits Group's total assets acquired represent approximately 2% of consolidated total assets as of December 31, 2012; total revenues acquired represent less than 1% of consolidated total revenues for the year ended December 31, 2012.

/s/
PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 28, 2013

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Cigna Corporation and Subsidiaries
Schedule I – Summary of Investments – Other Than Investments in Related Parties
December 31, 2012

Type of Investment *(In millions)*	**Cost**	**Fair Value**	**Amount at which shown in the Consolidated Balance Sheet**
Fixed maturities:			
Bonds:			
United States government and government agencies and authorities	$ 509	$ 902	$ 902
States, municipalities and political subdivisions	2,169	2,437	2,437
Foreign governments	1,197	1,322	1,322
Public utilities	102	106	106
All other corporate bonds	10,466	11,752	11,752
Asset backed securities:			
United States government agencies mortgage-backed	121	122	122
Other mortgage-backed	82	89	89
Other asset-backed	798	937	937
Redeemable preferred stocks	37	38	38
TOTAL FIXED MATURITIES	**15,481**	**17,705**	**17,705**
Equity securities:			
Common stocks:			
Industrial, miscellaneous and all other	28	33	33
Non redeemable preferred stocks	93	78	78
TOTAL EQUITY SECURITIES	**121**	**111**	**111**
Commercial mortgage loans on real estate	2,851		2,851
Policy loans	1,501		1,501
Real estate investments	83		83
Other long-term investments	1,213		1,255
Short-term investments	154		154
TOTAL INVESTMENTS	**$21,404**		**$ 23,660**

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Cigna Corporation and Subsidiaries
Schedule II – Condensed Financial Information of Cigna Corporation – (Registrant)
Statements of Income

(in millions)	For the year ended December 31, 2012	2011	2010
Operating expenses:			
Interest	$ 262	$ 195	$ 176
Intercompany interest	-	19	26
Other	190	92	129
TOTAL OPERATING EXPENSES	**452**	**306**	**331**
Loss before income taxes	(452)	(306)	(331)
Income tax benefit	(143)	(107)	(106)
Loss of parent company	(309)	(199)	(225)
Equity in income of subsidiaries	1,932	1,459	1,504
SHAREHOLDERS' NET INCOME	**1,623**	**1,260**	**1,279**
Shareholders' other comprehensive income (loss):			
Net unrealized appreciation (depreciation) on securities:			
Fixed maturities	144	210	151
Equity securities	3	(2)	(1)
Net unrealized appreciation on securities	147	208	150
Net unrealized appreciation (depreciation), derivatives	(5)	1	6
Net translation of foreign currencies	66	(22)	33
Postretirement benefits liability adjustment	(92)	(360)	(189)
Shareholders' other comprehensive income (loss)	116	(173)	-
SHAREHOLDERS' COMPREHENSIVE INCOME	**$ 1,739**	**$ 1,087**	**$ 1,279**

See Notes to Financial Statements on the following pages.

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Cigna Corporation and Subsidiaries

Schedule II – Condensed Financial Information of Cigna Corporation (Registrant)

Balance Sheets

(In millions)	As of December 31, 2012		As of December 31, 2011	
ASSETS:				
Cash and cash equivalents		$ 115		$ -
Investments in subsidiaries		16,125		14,606
Intercompany		37		29
Other assets		729		793
TOTAL ASSETS		**$ 17,006**		**$ 15,428**
LIABILITIES:				
Intercompany		$ 289		$ 489
Short-term debt		200		100
Long-term debt		4,870		4,869
Other liabilities		1,878		1,976
TOTAL LIABILITIES		**7,237**		**7,434**
SHAREHOLDERS' EQUITY:				
Common stock (shares issued, 366; authorized, 600)		92		92
Additional paid-in capital		3,295		3,188
Net unrealized appreciation – fixed maturities	$ 883		$ 739	
Net unrealized appreciation – equity securities	4		1	
Net unrealized depreciation – derivatives	(28)		(23)	
Net translation of foreign currencies	69		3	
Postretirement benefits liability adjustment	(1,599)		(1,507)	
Accumulated other comprehensive loss		(671)		(787)
Retained earnings		12,330		10,787
Less treasury stock, at cost		(5,277)		(5,286)
TOTAL SHAREHOLDERS' EQUITY		**9,769**		**7,994**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 17,006**		**$ 15,428**

See Notes to Financial Statements on the following pages.

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Cigna Corporation and Subsidiaries

Schedule II – Condensed Financial Information of Cigna Corporation (Registrant)

Statements of Cash Flows

(in millions)	For the year ended December 31, 2012	2011	2010
Cash Flows from Operating Activities:			
Shareholders' Net Income	$ 1,623	$ 1,260	$ 1,279
Adjustments to reconcile shareholders' net income to net cash provided by operating activities:			
Equity in income of subsidiaries	(1,932)	(1,459)	(1,504)
Dividends received from subsidiaries	671	1,135	1,050
Other liabilities	(213)	(296)	(294)
Other, net	191	(92)	158
Net cash provided by operating activities	340	548	689
Cash Flows from Investing Activities:			
Other, net	(19)	-	-
Net cash used in investing activities	(19)	-	-
Cash Flows from Financing Activities:			
Net change in intercompany debt	(208)	(3,258)	(816)
Net change in short-term debt	100	-	-
Net proceeds on issuance of long-term debt	-	2,661	543
Repayment of long-term debt	-	(449)	(268)
Issuance of common stock	121	734	64
Common dividends paid	(11)	(11)	(11)
Repurchase of common stock	(208)	(225)	(201)
Net cash used in financing activities	(206)	(548)	(689)
Net increase in cash and cash equivalents	115	-	-
Cash and cash equivalents, end of year	$ 115	$ -	$ -

See Notes to Financial Statements on the following pages.

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Cigna Corporation and Subsidiaries
Schedule II – Condensed Financial Information of Cigna Corporation (Registrant)

Notes to Condensed Financial Statements

The accompanying condensed financial statements' prior periods have been updated to reflect the changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements within this Form 10-K for additional information. These statements should be read in conjunction with the Consolidated Financial Statements and the accompanying notes thereto contained in this Form 10-K.

Note 1 – For purposes of these condensed financial statements, Cigna Corporation's (the Company) wholly owned and majority owned subsidiaries are recorded using the equity basis of accounting. Certain reclassifications have been made to prior years' amounts to conform to the 2012 presentation.

Note 2 – Short-term and long-term debt consisted of the following at December 31:

(In millions)	December 31, 2012	December 31, 2011
Short-term:		
Commercial Paper	$ 200	$ 100
TOTAL SHORT-TERM DEBT	**$ 200**	**$ 100**
Long-term:		
Uncollateralized debt:		
2.75% Notes due 2016	$ 600	$ 600
5.375% Notes due 2017	250	250
6.35% Notes due 2018	131	131
8.5% Notes due 2019	251	251
4.375% Notes due 2020	249	249
5.125% Notes due 2020	299	299
4.5% Notes due 2021	299	298
4% Notes due 2022	743	743
7.65% Notes due 2023	100	100
8.3% Notes due 2023	17	17
7.875% Debentures due 2027	300	300
8.3% Step Down Notes due 2033	83	83
6.15% Notes due 2036	500	500
5.875% Notes due 2041	298	298
5.375% Notes due 2042	750	750
TOTAL LONG-TERM DEBT	**$ 4,870**	**$ 4,869**

In December 2012, the Company extended the life of its June 2011 five-year revolving credit and letter of credit agreement for $1.5 billion, that permits up to $500 million to be used for letters of credit. This agreement is diversified among 16 banks, with 3 banks each having 12% of the commitment and the remainder spread among 13 banks. The credit agreement includes options that are subject to consent by the administrative agent and the committing banks, to increase the commitment amount to $2 billion and to extend the term past December 2017. The credit agreement is available for general corporate purposes, including as a commercial paper backstop and for the issuance of letters of credit. This agreement includes certain covenants, including a financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00. As of December 31, 2012, the Company had $5.3 billion of borrowing capacity within the maximum debt coverage covenant in the agreement in addition to the $5.2 billion of debt outstanding. There were letters of credit of $66 million issued as of December 31, 2012.

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On November 10, 2011, the Company issued $2.1 billion of long-term debt as follows: $600 million of 5-Year Notes due November 15, 2016 at a stated interest rate of 2.75% ($600 million, net of discount, with an effective interest rate of 2.936% per year), $750 million of 10-Year Notes due February 15, 2022 at a stated interest rate of 4% ($743 million, net of discount, with an effective interest rate of 4.346% per year) and $750 million of 30-Year Notes due February 15, 2042 at a stated interest rate of 5.375% ($750 million, net of discount, with an effective interest rate of 5.542% per year). Interest is payable on May 15 and November 15 of each year beginning May 15, 2012 for the 5-Year Notes and February 15 and August 15 of each year beginning February 15, 2012 for the 10-Year and 30-Year Notes. The proceeds of this debt were used to reduce the intercompany payable balance with Cigna

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ITEM 15 Exhibits and Financial Statement Schedules

Holdings and ultimately used to fund the HealthSpring acquisition in 2012.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury Rate plus 30 basis points (5-Year 2.75% Notes due 2016), 35 basis points (10-Year 4% Notes due 2022), or 40 basis points (30-Year 5.375% Notes due 2042).

In March 2011, the Company issued $300 million of 10-Year Notes due March 15, 2021 at a stated interest rate of 4.5% ($298 million, net of discount, with an effective interest rate of 4.683% per year) and $300 million of 30-Year Notes due March 15, 2041 at a stated interest rate of 5.875% ($298 million, net of discount, with an effective interest rate of 6.008% per year). Interest is payable on March 15 and September 15 of each year beginning September 15, 2011. The proceeds of this debt were used for general corporate purposes, including the repayment of debt maturing in 2011.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury Rate plus 20 basis points (10-Year 4.5% Notes due 2021) or 25 basis points (30-Year 5.875% Notes due 2041).

Maturities of debt are as follows (in millions): none in 2013, 2014, 2015, $600 in 2016, $250 in 2017 and the remainder in years after 2017. Interest expense on long-term and short-term debt was $262 million in 2012, $195 million in 2011, and $176 million in 2010. Interest paid on long-term and short-term debt was $242 million in 2012, $179 million in 2011, and $175 million in 2010.

Note 3 – Intercompany liabilities consist primarily of loans payable to Cigna Holdings, Inc. of $ 289 million as of December 31, 2012 and $489 million as of December 31, 2011. The proceeds of the debt issuance in November 2011 of $2.1 billion (see Note 2) and the equity issuance of $629 million (see Note 5) were used to reduce the intercompany loan payable balance with Cigna Holdings and ultimately used to fund the HealthSpring acquisition in 2012. Interest was accrued at an average monthly rate of 0.71% for 2012 and 0.63% for 2011.

Note 4 – As of December 31, 2012, the Company had guarantees and similar agreements in place to secure payment obligations or solvency requirements of certain wholly owned subsidiaries as follows:

- The Company has arranged for bank letters of credit in the amount of $3 million to provide collateral in support of its indirect wholly owned subsidiaries.
- Various indirect, wholly-owned subsidiaries have obtained surety bonds in the normal course of business. If there is a claim on a surety bond and the subsidiary is unable to pay, the Company guarantees payment to the company issuing the surety bond. The aggregate amount of such surety bonds as of December 31, 2012 was $28 million.
- The Company is obligated under a $12 million letter of credit required by the insurer of its high-deductible self-insurance programs to indemnify the insurer for claim liabilities that fall within deductible amounts for policy years dating back to 1994.
- The Company also provides solvency guarantees aggregating $34 million under state and federal regulations in support of its indirect wholly-owned medical HMOs in several states.
- The Company has arranged a $50 million letter of credit in support of Cigna Europe Insurance Company, an indirect wholly-owned subsidiary. The Company has agreed to indemnify the banks providing the letters of credit in the event of any draw. Cigna Europe Insurance Company is the holder of the letters of credit.
- The Company has agreed to indemnify payment of losses included in Cigna Europe Insurance Company's reserves on the assumed reinsurance business transferred from ACE. As of December 31, 2012, the reserve was $43 million.

In 2012, no payments have been made on these guarantees and none are pending. The Company provided other guarantees to subsidiaries that, in the aggregate, do not represent a material risk to the Company's results of operations, liquidity or financial condition.

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Note 5 - On November 16, 2011, the Company issued 15.2 million shares of its common stock at $42.75 per share. Proceeds were $650 million ($629 million net of underwriting discount and fees) and used to reduce the intercompany loan payable balance with Cigna Holdings and ultimately used to fund the HealthSpring acquisition in January 2012.

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Cigna Corporation and Subsidiaries
Schedule III – Supplementary Insurance Information

Segment *(In millions)*	**Deferred policy acquisition costs**	**Future policy benefits and contractholder deposit funds**	**Medical claims payable and unpaid claims**	**Unearned premiums and fees**
Year Ended December 31, 2012:				
Global Health Care	$ 19	$ 175	$ 1,856	$ 111
Group Disability and Life	1	1,599	3,482	26
Global Supplemental Benefits	1,113	2,227	306	388
Run-off Reinsurance	-	1,094	153	-
Other Operations	65	12,678	142	24
Corporate	-	-	(21)	-
TOTAL	**$ 1,198**	**$ 17,773**	**$ 5,918**	**$ 549**
Year Ended December 31, 2011:				
Global Health Care	$ 19	$ 170	$ 1,443	$ 103
Group Disability and Life	1	1,572	3,228	26
Global Supplemental Benefits	729	1,255	177	346
Run-off Reinsurance	-	1,172	240	-
Other Operations	68	12,977	160	27
Corporate	-	-	(7)	-
TOTAL	**$ 817**	**$ 17,146**	**$ 5,241**	**$ 502**
Year Ended December 31, 2010:				
Global Health Care	$ 22	$ 178	$ 1,555	$ 87
Group Disability and Life	2	1,464	3,201	27
Global Supplemental Benefits	609	1,085	112	271
Run-off Reinsurance	-	1,139	244	-
Other Operations	68	12,790	159	31
Corporate	-	-	(8)	-
TOTAL	**$ 701**	**$ 16,656**	**$ 5,263**	**$ 416**

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	Premiums and fees [1]	Net investment income [2]	Benefit expenses [1][3]	Amortization of deferred policy acquisition expenses	Other operating expenses [4]
Year Ended December 31, 2012:					
Global Health Care	$ 20,973	$ 259	$ 14,228	$ 68	$ 6,573
Group Disability and Life	3,109	300	2,290	3	721
Global Supplemental Benefits	1,984	90	1,005	141	770
Run-off Reinsurance	21	102	16	-	(12)
Other Operations	100	388	361	6	51
Corporate	-	5	-	-	421
TOTAL	**$ 26,187**	**$ 1,144**	**$ 17,900**	**$ 218**	**$ 8,524**
Year Ended December 31, 2011:					
Global Health Care	$ 14,443	$ 263	$ 9,125	$ 139	$ 5,404
Group Disability and Life	2,857	291	2,086	4	650
Global Supplemental Benefits	1,528	83	754	110	628
Run-off Reinsurance	24	103	140	-	265
Other Operations	114	400	385	6	60
Corporate	-	6	-	-	233
TOTAL	**$ 18,966**	**$ 1,146**	**$ 12,490**	**$ 259**	**$ 7,240**
Year Ended December 31, 2010:					
Global Health Care	$ 14,134	$ 230	$ 9,222	$ 155	$ 5,216
Group Disability and Life	2,770	287	2,035	6	707
Global Supplemental Benefits	1,231	69	603	84	505
Run-off Reinsurance	25	114	(22)	-	113
Other Operations	114	404	395	6	53
Corporate	-	1	-	-	248
TOTAL	**$ 18,274**	**$ 1,105**	**$ 12,233**	**$ 251**	**$ 6,842**

Effective December 31, 2012, Cigna changed its reporting segments. Prior period information has been conformed to the current reporting segments. Prior periods for certain information in this Schedule III (Deferred policy acquisition costs, Amortization of deferred policy acquisition costs, and Other operating expenses) have been updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements included in this Form 10-K for additional information.

(1) Amounts presented are shown net of the effects of reinsurance. See Note 8 to the Consolidated Financial Statements included in this Form 10-K.

(2) The allocation of net investment income is based upon the investment year method, the identification of certain portfolios with specific segments, or a combination of both.

(3) Benefit expenses include Global Health Care medical claims expense and other benefit expenses.

(4) Other operating expenses include mail order pharmacy cost of goods sold, GMIB fair value (gain) loss and other operating expenses, and excludes amortization of deferred policy acquisition expenses.

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Cigna Corporation and Subsidiaries
Schedule IV – Reinsurance

(In millions)	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year Ended December 31, 2012:					
Life insurance in force	$ 710,140	$ 52,435	$ 8,168	$ 665,873	1.2%
Premiums and fees:					
Life insurance and annuities	$ 2,025	$ 268	$ 29	$ 1,786	1.6%
Accident and health insurance	24,163	201	439	24,401	1.8%
TOTAL	**$ 26,188**	**$ 469**	**$ 468**	**$ 26,187**	**1.8%**
Year Ended December 31, 2011:					
Life insurance in force	$ 606,587	$ 53,088	$ 9,163	$ 562,662	1.6%
Premiums and fees:					
Life insurance and annuities	$ 1,990	$ 280	$ 40	$ 1,750	2.3%
Accident and health insurance	17,229	167	154	17,216	0.9%
TOTAL	**$ 19,219**	**$ 447**	**$ 194**	**$ 18,966**	**1.0%**
Year Ended December 31, 2010:					
Life insurance in force	$ 566,841	$ 44,335	$ 9,734	$ 532,240	1.8%
Premiums and fees:					
Life insurance and annuities	$ 2,026	$ 264	$ 107	$ 1,869	5.7%
Accident and health insurance	16,153	173	425	16,405	2.6%
TOTAL	**$ 18,179**	**$ 437**	**$ 532**	**$ 18,274**	**2.9%**

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Cigna Corporation and Subsidiaries
Schedule V – Valuation and Qualifying Accounts and Reserves

Description *(in millions)*	**Balance at beginning of period**[4]	**Charged (Credited) to costs and expenses**[1]	**Charged (Credited) to other accounts**[2]	**Other deductions - describe**[3]	**Balance at end of period**
2012:					
Investment asset valuation reserves: Commercial mortgage loans	$ 19	$ 10	$	$ (22)	$ 7
Allowance for doubtful accounts: Premiums, accounts and notes receivable	$ 45	$ 4	$ 1	$ 1	$ 51
Deferred tax asset valuation allowance	$ 45	$ 4	$ (7)	$ -	$ 42
Reinsurance recoverables	$ 5	$ (1)	$ -	$ -	$ 4
2011:					
Investment asset valuation reserves: Commercial mortgage loans	$ 12	$ 16	$ -	$ (9)	$ 19
Allowance for doubtful accounts: Premiums, accounts and notes receivable	$ 49	$ 4	$ (1)	$ (7)	$ 45
Deferred tax asset valuation allowance	$ 26	$ 4	$ 15	$ -	$ 45
Reinsurance recoverables	$ 10	$ (5)	$ -	$ -	$ 5
2010:					
Investment asset valuation reserves: Commercial mortgage loans	$ 17	$ 24	$ -	$ (29)	$ 12
Allowance for doubtful accounts: Premiums, accounts and notes receivable	$ 43	$ 11	$ -	$ (5)	$ 49
Deferred tax asset valuation allowance	$ 117	$ (91)	$ -	$ -	$ 26
Reinsurance recoverables	$ 15	$ (5)	$ -	$ -	$ 10

Prior periods for the deferred tax valuation allowance were updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements in the Form 10-K for additional information.

(1) 2010 amount for deferred tax asset valuation allowance primarily reflects the resolution of a federal tax matter. See Note 20 to the Consolidated Financial Statements.

(2) 2011 increase to deferred tax asset valuation allowance reflects effects of the acquisition of First Assist in November 2011.

(3) Amounts for commercial mortgage loans primarily reflects charge-offs upon sales and repayments, as well as transfers to foreclosed real estate. 2012 amount also includes restructures reclassified to Other Long-term Investments.

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Index to Exhibits

Number		Description	Method of Filing
2.1		Agreement and Plan of Merger dated as of October 24, 2011 by and among Cigna Corporation, Cigna Magnolia Corp. and HealthSpring, Inc.*	Filed as Exhibit 2.1 to the registrant's Form 8-K on October 27, 2011 and incorporated herein by reference.
2.2		Voting Agreement dated as of October 24, 2011 among Cigna Corporation and Herbert A. Fritch	Filed as Exhibit 2.3 to the registrant's Form 8-K on October 27, 2011 and incorporated herein by reference.
3.1		Restated Certificate of Incorporation of the registrant as last amended October 28, 2011	Filed as Exhibit 3.1 to the registrant's Form 10-Q for the quarterly period ended September 30, 2011and incorporated herein by reference.
3.2		By-Laws of the registrant as last amended and restated December 6, 2012	Filed herewith.
4.1	(a)	Indenture dated August 16, 2006 between Cigna Corporation and U.S. Bank National Association	Filed herewith.
	(b)	Supplemental Indenture No. 1 dated November 11, 2006 between Cigna Corporation and U.S. Bank National Association	Filed herewith.
	(c)	Supplemental Indenture No. 2 dated March 15, 2007 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 4.1(c) to the registrant's Form 10-Q for the quarterly period ended March 31, 2011 and incorporated herein by reference
	(d)	Supplemental Indenture No. 3 dated March 7, 2008 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 4.1 to the registrant's Form 8-K on March 10, 2008 and incorporated herein by reference.
	(e)	Supplemental Indenture No. 4 dated May 7, 2009 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 99.2 to the registrant's Form 8-K on May 12, 2009 and incorporated herein by reference.
	(f)	Supplemental Indenture No. 5 dated May 17, 2010 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 99.2 to the registrant's Form 8-K on May 28, 2010 and incorporated herein by reference.
	(g)	Supplemental Indenture No. 6 dated December 8, 2010 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 99.2 to the registrant's Form 8-K on December 9, 2010 and incorporated herein by reference.
	(h)	Supplemental Indenture No. 7 dated March 7, 2011 between Cigna Corporation and U.S. Bank National Association	Filed as Exhibit 4.1 to the registrant's Form 8-K on March 8, 2011 and incorporated herein by reference.
	(i)	Supplemental Indenture No. 8 dated November 10, 2011 between Cigna Corporation and U.S. Bank National Associated	Filed as Exhibit 4.1 to the registrant's Form 8-K on November 14, 2011 and incorporated herein by reference.
4.2		Indenture dated January 1, 1994 between Cigna Corporation and Marine Midland Bank	Filed as Exhibit 4.2 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
4.3		Indenture dated June 30, 1988 between Cigna Corporation and Bankers Trust	Filed as Exhibit 4.3 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.

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Exhibits 10.1 through 10.28 are identified as compensatory plans, management contracts or arrangements pursuant to Item 15 of Form 10-K.

10.1		Deferred Compensation Plan for Directors of Cigna Corporation, as amended and restated January 1, 1997	Filed as Exhibit 10.1 to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.2		Deferred Compensation Plan of 2005 for Directors of Cigna Corporation, Amended and Restated effective April 28, 2010	Filed as Exhibit 10.2 to the registrant's Form 10-K for the year ended December 31, 2010 and incorporated herein by reference.
10.3		Cigna Corporation Non-Employee Director Compensation Program amended and restated effective January 1, 2012	Filed as Exhibit 10.3 to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.4		Cigna Restricted Share Equivalent Plan for Non-Employee Directors as amended and restated effective January 1, 2008	Filed herewith.
10.5		Cigna Corporation Directors Equity Plan	Filed as Exhibit 10.3 to the registrant's Form 10-Q for the quarterly period ended March 31, 2010 and incorporated herein by reference.
10.6		Cigna Corporation Compensation Program for Independent Vice Chairman/Chairman of the Board of Directors	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended September 30, 2009 and incorporated herein by reference.
10.7		Cigna Corporation Stock Plan, as amended and restated through July 2000	Filed as Exhibit 10.7 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.8	(a)	Cigna Stock Unit Plan, as amended and restated effective July 22, 2008	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended September 30, 2008 and incorporated herein by reference.
	(b)	Amendment No. 1 to the Cigna Stock Unit Plan, as amended and restated effective July 22, 2008	Filed as Exhibit 10.3 to the registrant's Form 10-Q for the quarterly period ended June 30, 2010 and incorporated herein by reference.

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Number		Description	Method of Filing
10.9		Cigna Executive Severance Benefits Plan as amended and restated effective April 27, 2010	Filed as Exhibit 10.2 to the registrant's Form 10-Q for the quarterly period ended June 30, 2010 and incorporated herein by reference.
10.10		Description of Severance Benefits for Executives in Non-Change of Control Circumstances	Filed as Exhibit 10.10 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.11		Description of Cigna Corporation Strategic Performance Share Program	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended June 30, 2012 and incorporated herein by reference.
10.12		Cigna Executive Incentive Plan amended and restated as of January 12, 2012	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the year ended March 31, 2012 and incorporated herein by reference.
10.13	(a)	Cigna Long-Term Incentive Plan as amended and restated effective as of April 28, 2010	Filed as Exhibit 10.2 to the registrant's Form 10-Q for the quarterly period ended March 31, 2010 and incorporated herein by reference.
	(b)	Amendment No. 1 to the Cigna Long-Term Incentive Plan as amended and restated effective as of April 28, 2010	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended June 30, 2010 and incorporated herein by reference.
	(c)	Amendment No. 2 to the Cigna Long-Term Incentive Plan as amended and restated effective as of April 28, 2010	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended March 31, 2011 and incorporated herein by reference.
10.14		Cigna Deferred Compensation Plan, as amended and restated October 24, 2001	Filed as Exhibit 10.14 to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.15		Cigna Deferred Compensation Plan of 2005 effective as of January 1, 2005	Filed herewith.
10.16	(a)	Cigna Supplemental Pension Plan as amended and restated effective August 1, 1998	Filed as Exhibit 10.15(a) to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
	(b)	Amendment No. 1 to the Cigna Supplemental Pension Plan, amended and restated effective as of September 1, 1999	Filed as Exhibit 10.15(b) to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
	(c)	Amendment No. 2 dated December 6, 2000 to the Cigna Supplemental Pension	Filed as Exhibit 10.16(c) to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.17	(a)	Cigna Supplemental Pension Plan of 2005 effective as of January 1, 2005	Filed as Exhibit 10.15 to the registrant's Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.
	(b)	Amendment No. 1 to the Cigna Supplemental Pension Plan of 2005	Filed as Exhibit 10.1 to the registrant's Form 10-Q for the quarterly period ended June 30, 2009 and incorporated herein by reference.
10.18		Cigna Supplemental 401(k) Plan effective January 1, 2010	Filed as Exhibit 10.17 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.

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10.19	Description of Cigna Corporation Financial Services Program	Filed as Exhibit 10.18 to the registrant's Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.20	Schedule regarding Amended Deferred Stock Unit Agreements effective December 31, 2008 with Mr. Murabito and Form of Amended Deferred Stock Unit Agreement	Filed as Exhibit 10.20 to the registrant's Form 10-K for the year ended December 31, 2008 and incorporated herein by reference.
10.21	Form of Cigna Long-Term Incentive Plan: Nonqualified Stock Option and Grant Letter	Filed as Exhibit 10.21 to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.22	Form of Cigna Long-Term Incentive Plan: Restricted Stock Grant and Grant Letter	Filed as Exhibit 10.22 to the registrant's Form 10-K for the year ended December 31, 2011 and incorporated herein by reference.
10.23	Form of Cigna Long-Term Incentive Plan: Restricted Stock Unit Grant and Grant Letter	Filed as Exhibit 10.27 to the registrant's Form 10-K for the year ended December 31, 2010 and incorporated herein by reference.
10.24	Agreement and Release dated April 27, 2011 with Carol Ann Petren	Filed as Exhibit 99.1 to the registrant's Form 8-K filed on May 3, 2011 and incorporated herein by reference.
10.25	Ralph Nicoletti's Offer of Employment dated April 27, 2011	Filed as Exhibit 10.1 to the registrant's Form 8-K filed on May 31, 2011 and incorporated herein by reference.
10.26	Nicole Jones' Offer of Employment dated April 27, 2011	Filed as Exhibit 10.2 to the registrant's Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference.
10.27	Agreement and Release executed December 9, 2011 with Bertram L. Scott	Filed as Exhibit 10.1 to the registrant's Form 8-K filed on December 13, 2011 and incorporated herein by reference.
10.28	Matthew Manders' Promotion Letter dated November 18, 2011	Filed herewith.
10.29	Master Transaction Agreement, dated February 4, 2013, among Connecticut General Life Insurance Company, Berkshire Hathaway Life Insurance Company of Nebraska and, solely for purposes of Sections 3.10, 6.1, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII thereof, National Indemnity Company (including the Forms of Retrocession Agreement, the Collateral Trust Agreement, the Security and Control Agreement, the Surety Policy and the ALC Model Purchase Option Agreement, as exhibits).	Filed herewith.
12	Computation of Ratios of Earnings to Fixed Charges	Filed herewith.
21	Subsidiaries of the Registrant	Filed herewith.
23	Consent of Independent Registered Public Accounting Firm	Filed herewith.
31.1	Certification of Chief Executive Officer of Cigna Corporation pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
31.2	Certification of Chief Financial Officer of Cigna Corporation pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.

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Number	Description	Method of Filing
32.1	Certification of Chief Executive Officer of Cigna Corporation pursuant to 18 U.S.C. Section 1350	Furnished herewith.
32.2	Certification of Chief Financial Officer of Cigna Corporation pursuant to 18 U.S.C. Section 1350	Furnished herewith.

* *Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule upon request.*

The registrant will furnish to the Commission upon request of any other instruments defining the rights of holders of long-term debt. Shareholders may obtain copies of exhibits by writing to Cigna Corporation, Shareholder Services Department, 1601 Chestnut Street, Philadelphia, PA 19192.

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Exhibit 3.2

BY-LAWS OF

CIGNA CORPORATION

(A Delaware Corporation)

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of the Corporation within the State of Delaware shall be in the City of Wilmington, County of New Castle.

SECTION 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors shall from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Shareholders

SECTION 1. Place of Meetings. All meetings of the shareholders for the election of directors or for any other purpose shall be held at any such place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

SECTION 2. Annual Meeting. The annual meeting of shareholders shall be held on the fourth Wednesday in April of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday, at 3:30 P.M., or at such other time or on such other date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At such annual meeting, the shareholders shall elect directors to the Board of Directors and transact such other business as may properly be brought before the

meeting. A nominee for director shall be elected to the Board of Directors if the votes cast for such nominee' s election exceed the votes cast against such nominee' s election; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of shareholders for which (i) the Corporate Secretary of the Corporation receives a notice that a shareholder has nominated a person for election to the Board of Directors in compliance with Article II, Section 11(b) of these By-Laws and (ii) such nomination has not been withdrawn by such shareholder on or prior to the day next preceding the date the Corporation first mails its notice of meeting for such meeting to the shareholders. If directors are to be elected by a plurality of the votes cast, shareholders shall not be permitted to vote against a nominee.

SECTION 3. Special Meetings. Special meetings of shareholders, unless otherwise prescribed by statute, may be called at any time by the Board of Directors or the Chief Executive Officer. At any special meeting of the shareholders, only such business shall be conducted as shall have been brought before the meeting by or at the direction of the Board of Directors.

SECTION 4. Notice of Meetings. Except as otherwise expressly required by statute, written notice, or notice in the form of electronic transmission to shareholders who have consented to receive notice in such form, of each annual and special meeting of

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shareholders stating the place, date and time of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each shareholder of record entitled to notice of the meeting. Business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice. If mailed, such notice shall be sent in a postage prepaid envelope, addressed to the shareholder at his or her address as it appears on the records of the Corporation. Such notice shall be deemed given (i) if by mail, at the time when the same shall be deposited in the United States mail, postage prepaid; (ii) if by facsimile telecommunication, when directed to a number at which the shareholder has consented to receive notice; (iii) if by electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive such notice; (iv) if by a posting on an electronic network together with a separate notice to the shareholder of such specific posting, upon the later to occur of (a) such posting, or (b) the giving of the separate notice of such posting; or (v) if by any other form of electronic communication, when directed to the shareholder in the manner consented to by the shareholder. Any such consent shall be revocable by the shareholder by written notice to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Corporate Secretary or Assistant Corporate Secretary of the Corporation or to the transfer agent or other person responsible for giving notice; provided however, that inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice of any meeting shall not be required to be given to any person

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who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, or who, either before or after the meeting, shall submit a signed written waiver of notice, or a waiver by electronic transmission, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of shareholders need be specified in any written waiver of notice.

SECTION 5. List of Shareholders. The Corporate Secretary of the Corporation, or such other person who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, in the manner provided by law. The list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present.

SECTION 6. Quorum, Adjournments. The holders of at least two-fifths of the issued and outstanding stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of shareholders, except as otherwise required by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented by proxy at any meeting of shareholders, the chairman of the meeting or a majority of the voting power entitled to vote thereon, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than thirty days, or, if after adjournment a new record date is set, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

SECTION 7. Organization. At each meeting of shareholders, the Chairman of the Board or, in the Chairman' s absence, a director of the Corporation chosen by the Board of Directors at the meeting, shall act as chairman of the meeting. The Corporate Secretary or, in the Corporate Secretary' s absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

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SECTION 8. Order of and Rules for Conducting Business. The order of and the rules for conducting business at all meetings of the shareholders shall be as determined by the chairman of the meeting. The chairman shall have the power to adjourn the meeting to another place, date or time**.**

SECTION 9. Voting. Except as otherwise provided by statute, the Certificate of Incorporation, or any resolution or resolutions adopted by the Board of Directors pursuant to the authority vested in it by the Certificate of Incorporation, each shareholder of the Corporation shall be entitled at each meeting of shareholders to one vote for each share of capital stock of the Corporation standing in such shareholder' s name on the record of shareholders of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 7 of Article V of these By-Laws as the record date for the determination of the shareholders who shall be entitled to vote at such meeting; or

(b) if no such record date shall have been fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given, or, if notice is waived by all shareholders, at the close of business on the day next preceding the day on which the meeting is held.

Each shareholder entitled to vote at any meeting of shareholders may vote in person or may authorize another person or persons to act for such shareholder by a proxy authorized by an instrument in writing or by a transmission permitted by law delivered to the Inspectors of Election, but no such proxy shall be voted after three years from its date, unless the proxy provides for a longer period. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A shareholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering an instrument in writing or a transmission permitted by law revoking the proxy or constituting another valid proxy bearing a later date to

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the Inspectors. Any such proxy shall be delivered to the Inspectors, or such other person so designated to receive proxies, at or prior to the time designated in the order of business for so delivering such proxies. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the Corporation present in person or by proxy at such meeting and entitled to vote on the subject matter, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the shareholder voting, or by the shareholder' s proxy, if there be such proxy, and shall state the number of shares voted.

SECTION 10. Inspectors of Election. The Board of Directors**,** the Chairman of the Board or the Chief Executive Officer shall, in advance of any meeting of shareholders, appoint one or more Inspectors of Election to act at the meeting or at any adjournment and make a written report thereof, and may designate one or more persons as alternate Inspectors to replace any Inspectors who fail to act. If no Inspector or alternate is able to act at a meeting of shareholders, the chairman of the meeting shall appoint one or more Inspectors to act at the meeting. Each Inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of Inspector at such meeting with strict impartiality and according to the Inspector' s best ability. The Inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting and the validity of proxies and ballots, receive and count all votes and ballots, determine all challenges and questions arising in connection with the right to vote, retain for a reasonable period a record of the disposition of any challenges made to any determination by the Inspectors, and certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots and report the same to the chairman of the meeting, and do such acts as are proper to conduct the election or vote with fairness to all

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shareholders. The Inspectors may appoint or retain other persons or entities to assist the Inspectors in the performance of the duties of the Inspectors. The date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the Inspectors after the closing of the polls unless the Court of Chancery upon application by a shareholder shall determine otherwise. On request of the chairman of the meeting, the Inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an Inspector of an election of directors. Inspectors need not be shareholders.

Section 11. Nomination of Directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of shareholders (a) by or at the direction of the Board of Directors or (b) by any shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section. For nominations to be properly brought before a meeting by a shareholder pursuant to clause (b) of the preceding sentence, (1) the shareholder must have given timely notice thereof in writing to the Corporate Secretary of the Corporation and (2) the shareholder and any beneficial owner on whose behalf a nomination is made must comply with the representation set forth in such shareholder' s Nomination Solicitation Statement (as defined herein). To be timely, a shareholder' s notice shall be received by the Corporate Secretary of the Corporation at the principal executive offices of the Corporation not less than 90 days prior to the meeting; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was first given or such public disclosure was first made. Such shareholder' s notice shall set forth (1) as to each person whom the shareholder proposes to nominate for election or reelection as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended**,** and the rules and regulations promulgated thereunder (such Act and such rules and regulations, collectively, the "Exchange Act") (including such person' s written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a statement whether such person, if elected, intends to tender, promptly following such person' s election, an irrevocable resignation effective upon such person' s failure to receive the required vote for reelection at any future meeting at which such person would face reelection and upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation' s Board Practice on Director Selection and Membership; and (2) as to the shareholder giving notice and the beneficial owner, if any, on whose behalf the nomination is made (i) the name and address, as they appear on the Corporation' s stock ledger, of such shareholder and of such beneficial owner, (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and by such beneficial owner and (iii) a statement whether or not such shareholder or beneficial owner intends to deliver a proxy statement and form of proxy to a sufficient number of holders of the Corporation' s voting shares reasonably believed by such shareholder or beneficial owner to elect such nominee or nominees (such statement, a "Nomination Solicitation Statement"). At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Corporate Secretary of the Corporation that information required to be set forth in a shareholder' s notice of nomination which pertains to the nominee. No person shall be eligible for election at any meeting of shareholders as a director of the Corporation unless nominated in compliance with the procedures set forth in this Section. The chairman of the meeting shall, if the facts warrant,

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determine and declare to the meeting that a nomination was not made in compliance with the procedures prescribed by the By-Laws, and if the chairman of the meeting should so determine, he or she shall so declare to the meeting and the defective nominations shall be disregarded.

Notwithstanding anything in this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public disclosure naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the meeting, a shareholder' s notice required by these By-Laws

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shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public disclosure is first made by the Corporation.

SECTION 12. Notice of Shareholder Business. At the annual meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 of this Article II) must be a proper subject for shareholder action under the Delaware General Corporation Law (the "DGCL") and must be (a) specified in the notice of meeting (or any supplement thereto) given by the Corporation; (b) brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section, who has complied with the notice procedures set forth in this Section, and who shall be entitled to vote on such business. For business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 of this Article II) to be properly brought before an annual meeting by a shareholder, (1) the shareholder must have given timely notice thereof in writing to the Corporate Secretary of the Corporation, (2) such business must be a proper matter for shareholder action under the DGCL and (3) the shareholder and any beneficial owner on whose behalf such business is proposed must comply with the representation set forth in such shareholder' s Business Solicitation Statement (as defined herein). To be timely, a shareholder' s notice must be delivered to or mailed and received by the Corporate Secretary of the Corporation at the principal executive offices of the Corporation, not less than 90 days prior to the meeting; provided, however, that in the event that less than 90 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder, to be timely, must be so received not later than the close of business on the 10th day following the date on which such notice of the date of the annual meeting was first mailed or such public disclosure was first made. A shareholder' s notice to the Corporate Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting, the reasons

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for conducting such business at the meeting and any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; (b) as to the shareholder giving such notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address, as they appear on the Corporation' s stock ledger, of such shareholder and of such beneficial owner, (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and such beneficial owner, and (iii) a statement whether or not such shareholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation' s voting shares required under applicable law to carry the proposal (such statement, a "Business Solicitation Statement"). Notwithstanding anything in the By-Laws to the contrary, no business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 of this Article II) shall be conducted at an annual meeting except in compliance with the procedures set forth in this Section 12. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in compliance with the provisions of this Section 12, and if the chairman of the meeting should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the shareholders.

SECTION 2. Number, Qualifications, Election and Term of Office. The Board of Directors shall consist of not less than 8 nor more than 16 directors. The number of directors may be fixed, from time to time, by the affirmative vote of a majority of the entire

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Board of Directors. Any decrease in the number of directors shall be effective at the time of the next succeeding annual meeting of shareholders unless there shall be vacancies in the Board of Directors, in which case such decrease may become effective at any time prior to the next succeeding annual meeting to the extent of the number of such vacancies. Directors need not be shareholders. The

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directors (other than members of the initial Board of Directors) shall be divided into three classes which shall be divided as evenly as practicable with respect to the number of members of each class; the term of office of those of the first class to expire at the annual meeting commencing in April, 1983; of the second class one year thereafter; of the third class two years thereafter; and at each annual election held after such classification and election, directors shall be chosen by class for a term of three years, or for such shorter term as the shareholders may specify to complete the unexpired term of a predecessor, or to preserve the division of the directors into classes as provided herein. The directors whose terms expire at the 2016 annual meeting of shareholders (or such directors' successors) shall be elected to hold office for a one-year term expiring at the 2017 annual meeting of shareholders; the directors whose terms expire at the 2017 annual meeting of shareholders (or such directors' successors) shall be elected to hold office for a one-year term expiring at the 2018 annual meeting of shareholders; and the directors whose terms expire at the 2018 annual meeting of shareholders (or such directors' successors) shall be elected to hold office for a one-year term expiring at the next annual meeting of shareholders. Thereafter, the classification of the Board of Directors shall cease and all directors shall be elected to hold office for one-year terms expiring at the next annual meeting of shareholders. Each director shall hold office until his or her successor shall have been elected and qualified, or until death, or until such director shall have resigned, or shall have been removed, as hereinafter provided in these By-Laws.

SECTION 3. Chairman of the Board.

(a) The Directors shall elect a Chairman of the Board from among the independent members of the Board of Directors who shall serve for a term of three years unless sooner removed, with or without cause, by a majority of the Board of Directors. The Board of Directors shall fill any vacancy in the position of Chairman of the Board of Directors at such time and in such manner as the Board of Directors shall determine. In addition, the Board of Directors may appoint one or more directors to serve in roles with such titles (including the titles of Vice Chairman, Lead Director and Presiding Director), powers, duties and compensation as it may approve.

(b) The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as may from time to time be assigned by the Board of Directors, including presiding at all meetings of the shareholders of the Corporation, all meetings of the Board of Directors, and all meetings of the Executive Committee, at which the Chairman shall be present. Except as may otherwise be determined by the Board or provided in these By-Laws, the

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Chairman may serve as a member of any committee of the Board subject to applicable laws, regulations and standards and, even when not named a standing member of a committee, shall have the right to attend and participate in all meetings of any committee of the Board of_Directors as if he or she were a member of such committee, including having the right to vote on any matter brought before the committee and being counted for the purposes of determining whether a quorum of the committee is present.

SECTION 4. Place of Meetings. Meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice of any such meeting.

SECTION 5. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these By-Laws.

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SECTION 6. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or by one-third of the members of the Board of Directors of the Corporation.

SECTION 7. Notice of Meetings. Notice of each special meeting of the Board of Directors (and of each regular meeting for which notice shall be required) shall be given by the Corporate Secretary as hereinafter provided in this Section. Any such notice shall state the place, date and time of the meeting. Except as otherwise required by these By-Laws, such notice need not state the purposes of such meeting. Notice of each such meeting shall be mailed, postage prepaid, to each director, addressed to the director' s residence or usual place of business, by first-class mail, at least two days before the day on which such meeting is to be held, or shall be sent addressed to the director at such place by telegraph, cable, telex, telecopier, electronic transmission or other similar means, or be delivered to the director personally or be given to the director by telephone or other similar means, at least twelve hours before the time at which such meeting is to be held. Notice of any such meeting need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice, or waiver by electronic transmission or who shall attend such meeting, except when the director shall attend

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for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 8. Quorum and Manner of Acting. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, except as otherwise expressly required by statute or the Certificate of Incorporation or these By-Laws, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of the time and place of any such adjourned meeting shall be given to all of the directors unless such time and place were announced at the meeting at which the adjournment was taken, in which case such notice shall only be given to the directors who were not present thereat. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board and the individual directors shall have no power as such.

SECTION 9. Organization. At each meeting of the Board of Directors, the Chairman of the Board, or, in the absence of the Chairman of the Board, another director chosen by a majority of the directors present shall act as chairman of the meeting and preside thereat. The Corporate Secretary or, in the Corporate Secretary' s absence, any person appointed by the chairman of the meeting shall act as secretary of the meeting and keep the minutes thereof.

SECTION 10. Resignations. Any director of the Corporation may resign at any time by giving notice in writing or by electronic transmission of his or her resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 11. Vacancies. Any vacancy in the Board of Directors, whether arising from death, disqualification, resignation, removal for cause, an increase in the number of directors or any other cause, may be filled by the vote of a majority of the directors then in office, though less than a quorum, or by the sole remaining director. Each director so elected shall hold office until his or her successor shall have been elected and qualified.

SECTION 12. Removal of Directors. Any director may be removed, only for cause, at any time, by the holders of a majority of the voting power of the issued and outstanding capital stock of the Corporation entitled to vote at an election of directors.

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SECTION 13. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors, including the Chairman of the Board, for services to the Corporation in any capacity.

SECTION 14. Committees.

(a) The Board shall create an Executive Committee, which shall consist of no less than two nor more than seven members of the Board and which, to the extent provided in a resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors, and may authorize the seal of the Corporation to be affixed to all papers which may require it, except the Executive Committee shall not have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the shareholders, any action or matter expressly required by the General Corporation Law of the State of Delaware to be submitted to shareholders for approval, (ii) adopting, amending or repealing any By-Law of the Corporation; or (iii) acting with respect to any matter restricted by statute, the Certificate of Incorporation or these By-Laws.

(b) The Board shall create an Audit Committee and a People Resources Committee, each of which shall consist of three (3) or more members of the Board of Directors of the Corporation, none of whom shall be employees of the Corporation or its subsidiaries.

(c) The Board may also create such other committees, with such authority and duties, as the Board may from time to time deem advisable, and may authorize any of such committees to appoint one or more subcommittees. Each such committee or subcommittee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors except as restricted by statute the Certificate of Incorporation or these By-Laws and may authorize the seal of the Corporation to be affixed to all papers which require it. Each such committee or subcommittee shall serve at the pleasure of the Board of Directors or of the committee creating it as the case may be, and have such name as may be determined from time to time by resolution adopted by the Board of Directors or by the

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committee creating it. Each committee shall keep regular minutes of its meeting and report the same to the Board of Directors or the committee creating it.

(d) The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In addition, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 15. Action by Consent. Unless restricted by the Certificate of Incorporation, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or such committee, as the case may be. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 16. Telephonic Meeting. Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

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ARTICLE IV

Officers

SECTION 1. Selection and Qualifications. The officers of the Corporation shall be elected by the Board of Directors except as otherwise provided herein or in a resolution adopted by the Board of Directors and may include the President, the Chief Executive Officer, one or more Vice Presidents, and such other officers as the Board of Directors may choose. The Board may authorize the Chief Executive Officer to appoint one or more classes of officers with such titles (including the titles of Vice President, Corporate Secretary and Treasurer), powers, duties and compensation as the Chief Executive Officer may approve. Any two or more offices may be held by the same person. Each officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified, or until death, or until such officer shall have resigned or have been removed, as hereinafter provided in these By-Laws.

SECTION 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of such resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

SECTION 3. Removal. Any officer of the Corporation may be removed, either with or without cause, at any time, by the Board of Directors at any meeting thereof. Any appointed officer of the Corporation may also be removed, either with or without cause, at any time, by the Chief Executive Officer.

SECTION 4. Chief Executive Officer. The Chief Executive Officer shall have responsibility for the general and active management of the business, property and affairs of the Corporation, subject, to the control of the Board of Directors. The Chief Executive Officer shall perform such other duties as may be specified in the By-Laws or assigned by the Board of Directors.

SECTION 5. President. The President shall perform all duties incident to the Office of President and such other duties as may from time to time be assigned to the President by the Chief Executive Officer or the Board of Directors.

SECTION 6. Vice Presidents. Each Vice President shall perform such duties as from time to time may be assigned to the Vice President by the Board of Directors, the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

SECTION 7. Treasurer. The Treasurer shall:

(a) have charge and custody of, and be responsible for, all the funds and securities of the Corporation;

(b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation;

(c) deposit all moneys and other valuables to the credit of the Corporation in such depositories as may be designated by the Board of Directors or pursuant to its direction;

(d) receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(e) disburse the funds of the Corporation and supervise the investments of its funds, taking proper vouchers therefor;

(f) render to the Board of Directors, whenever the Board of Directors may require, an account of the Corporation' s cash position; and

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(g) in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors, or the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

SECTION 8. Corporate Secretary. The Corporate Secretary shall:

(a) keep or cause to be kept in one or more books provided for the purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the shareholders;

(b) see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law;

(c) Be custodian of the records and the seal of the Corporation and affix and attest the seal to all certificates for shares of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal;

(d) see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed in order to maintain the Corporation' s legal existence are properly kept and filed; and

(e) in general, perform all duties incident to the office of Corporate Secretary and such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

SECTION 9. The Assistant Treasurer. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their seniority), shall, in the absence of the Treasurer or in the event of the inability or refusal of the Treasurer to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer, the Treasurer, or such other officer as may be designated by one of the foregoing.

SECTION 10. The Assistant Corporate Secretary. The Assistant Corporate Secretary, or if there be more than one, the Assistant Corporate Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their seniority), shall, in the absence of the Corporate Secretary or in the event of the inability or refusal of the Corporate Secretary to act, perform the duties and exercise the powers of the Corporate Secretary and shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer, the Corporate Secretary, or such other officer as may be designated by one of the foregoing.

SECTION 11. Designation. The Board of Directors may, by resolution, designate one or more officers to be any of the following: Chief Operating Officer, President**,** Chief Financial Officer, General Counsel, or Chief Accounting Officer.

SECTION 12. Agents and Employees. If authorized by the Board of Directors, the Chief Executive Officer or any officer or employee of the Corporation designated by the Board or the Chief Executive Officer may appoint or employ such agents and employees as shall be requisite for the proper conduct of the business of the Corporation, and may fix their compensation and the conditions of their employment, subject to removal by the appointing or employing person.

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SECTION 13. Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Corporation shall give a bond or other security for the faithful performance of such officer' s duties, in such amount and with such surety as the Board of Directors may require.

SECTION 14. Compensation. The compensation of all officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors unless by resolution of the Board that authority is delegated to a committee of the Board, the Chief Executive Officer, or any other officer of the Corporation. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that such officer is also a director of the Corporation.

SECTION 15. Terms. Unless otherwise specified by the Board of Directors in any particular election or appointment, each officer shall hold office, and be removable, at the pleasure of the Board.

ARTICLE V

Stock Certificates and Their Transfer

SECTION 1. Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such resolution by the Board of Directors, every holder of stock represented by certificates, and upon request every holder of uncertificated shares, shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman of the Board, the Chief Executive Officer, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Corporate

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Secretary or an Assistant Corporate Secretary, representing the number of shares registered in certificate form. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restriction of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided that, except as otherwise provided in Section 202 of the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each shareholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required or permitted to be set forth or stated on certificates pursuant to this section or otherwise pursuant to the Delaware General Corporation Law. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

SECTION 2. Facsimile Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person was such officer, transfer agent or registrar at the date of issue.

SECTION 3. Lost Certificates. The Corporation may issue a new certificate or certificates, or uncertificated shares, in the place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed. The Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate

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or certificates, or the owner' s legal representative, to give the Corporation a bond in such sum as it may direct sufficient to indemnify it against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

SECTION 4. Transfers of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence

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of succession, assignment or authority or transfer, or upon receipt by the transfer agent of a proper instruction from the registered holder of uncertificated shares, it shall be the duty of the Corporation to transfer such shares upon its records and, in connection with the transfer of a share that will be certificated, to issue a new certificate to the person entitled thereto and to cancel the old certificate; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer. Whenever any transfer of stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of transfer if, when the certificates are presented to the Corporation for transfer, or when proper instructions with respect to the transfer of uncertificated shares are received, both the transferor and the transferee request the Corporation to do so.

SECTION 5. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

SECTION 6. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 7. Fixing the Record Date. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining shareholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. To the extent permitted by law, the record date for

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determining the shareholders entitled to receive notice of a meeting may be different from the record date for determining the shareholders entitled to vote at such meeting.

In order that the Corporation may determine the shareholders entitled to consent to corporate action without a meeting, the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the DGCL, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by the DGCL. If no record date has been fixed by the Board of Directors and

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prior action by the Board of Directors is required by the DGCL with respect to the proposed action by consent of the shareholders without a meeting, the record date for determining shareholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

SECTION 8. Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments a person registered on its records as the owner of shares of stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VI

Indemnification

SECTION 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she (i) is or was a director or an officer of the Corporation or (ii) is or was serving at the request of the Corporation as a director, officer, employee, agent, partner or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (the persons in clauses (i) and (ii) hereinafter referred to as an "indemnitee"), shall be indemnified and held harmless by the Corporation to the fullest extent

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permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article VI with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

SECTION 2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 1 of this Article VI, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

SECTION 3. Right of Indemnitee to Bring Suit. If a claim under Section 1 or 2 of this Article VI is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an

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undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its shareholders) to have made a

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determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the Corporation.

SECTION 4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation' s Certificate of Incorporation, agreement, vote of shareholders or directors or otherwise.

SECTION 5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 7. Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee, agent, partner or trustee and shall inure to the benefit of the indemnitee' s heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any

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occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE VII

General Provisions

SECTION 1. Dividends. Subject to the provisions of statute and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property or in shares of stock of the Corporation, unless otherwise provided by statute or the Certificate of Incorporation.

SECTION 2. Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors.

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SECTION 3. Fiscal Year. The fiscal year of the Corporation shall be fixed, and once fixed, may thereafter be changed, by resolution of the Board of Directors.

SECTION 4. Contributions. The Board of Directors shall have the authority from time to time to make such contributions as the Board in its discretion shall determine, for public and charitable purposes.

SECTION 5. Borrowing, etc. No officer, agent or employee of the Corporation shall have any power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority delegated by resolution of the Board of Directors. Authority may be given by the Board for any of the above purposes and may be general or limited to specific instances.

SECTION 6. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may approve or designate, and all such funds shall be withdrawn only upon

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checks, drafts, notes or other orders for payment signed by such one or more officers, employees or other persons as the Board shall from time to time determine.

SECTION 7. Execution of Contracts, Deeds, etc. The Board of Directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 8. Voting of Stock in Other Corporations. If authorized by the Board of Directors, any officer of the Corporation may appoint an attorney or attorneys (who may be or include such officer), in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation any of whose shares or other securities are held by or for the Corporation, at meetings of the holders of the shares or other securities of such other corporation, or in connection with the ownership of such shares or other securities, to consent in writing to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its seal such written proxies or other instruments as such proxy may deem necessary or proper in the circumstances.

SECTION 9. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of punch cards, magnetic tape, photographs, microphotographs, or any other information storage device; provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

ARTICLE VIII

Amendments

These By-Laws may be adopted, amended or repealed by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation outstanding and entitled to vote thereon; provided, however, that Section 2 of Article III of these By-Laws may not be amended or repealed, nor may any provision be adopted that is inconsistent with such

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section, in any case by action of the stockholders, unless such amendment, repeal or adoption is approved by the affirmative vote of the holders of at least 80% of the voting power of the capital stock of the Corporation outstanding and entitled to vote thereon. The Board of Directors shall also have the power to adopt, amend or repeal any provision of these By-Laws of the Corporation without any vote of the stockholders of the Corporation**.**

ARTICLE IX

Definitions

Section 1. "Certificate of Incorporation." The term "Certificate of Incorporation," as used herein, includes not only the original Certificate of Incorporation filed to create the Corporation but also all other certificates, agreements of merger or consolidation, plans of reorganization, or other instruments, howsoever designated, which are filed pursuant to the Delaware General Corporation Law, and which have the effect of amending or supplementing in some respect this Corporation' s original Certificate of Incorporation.

Section 2. "Electronic Transmission." The term "electronic transmission" as used herein shall mean any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such recipient through an automated process or that otherwise may be permitted as an electronic transmission by the Delaware General Corporation law, as amended from time to time.

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Exhibit 4.1(a)

CIGNA CORPORATION
Issuer,

TO

U.S. BANK NATIONAL ASSOCIATION,
Trustee

Senior Indenture

Dated as of August 16, 2006

CIGNA Corporation

Certain Sections of this Indenture relating to Sections 310 through 318, inclusive, of the Trust Indenture Act of 1939:

Trust Indenture Act Section	Indenture Section
§310(a)(1)	609
(a)(2)	609
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
	610
§311(a)	613
(b)	613
§312(a)	701
	702(a)
(b)	702(b)
(c)	702(c)
§313(a)	703(a)
(b)	703(b)
(c)	703(a)
(d)	703(b)
§314(a)	704
(a)(4)	101
(b)	Not Applicable
(c)(l)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable

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(e)	102
§315(a)	601
(b)	602
(c)	601
(d)	601
(e)	514
§316(a)	101
(a)(1)(A)	502
	512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(c)
§317(a)(1)	503
(a)(2)	504
(b)	1003
§318(a)	107

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

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INDENTURE, dated as of August 16, 2006, between CIGNA Corporation, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), having its principal office at Two Liberty Place, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192, and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, having its designated corporate trust office at 100 Wall Street, Suite 1600, New York, New York 10005, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done,

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. *Definitions*

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

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(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted at the date of such computation; and

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Corporate Secretary or an Assistant Corporate Secretary, and delivered to the Trustee.

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"Corporate Trust Office" means the office of the Trustee, at which at any particular time its corporate trust business shall be principally administered, which office at the date of this Indenture is located at 100 Wall Street, Suite 1600, New York, New York 10005.

"corporation" means a corporation, association, company, joint-stock company or business (including Delaware statutory) trust.

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to any Security issuable or issued in the form of one or more Global Securities, the Person designated as Depository by the Company in or pursuant to this Indenture, which Person must be, to the extent required by applicable law or regulation, a clearing agency registered under the Securities Exchange Act of 1934, as amended, and, if so provided with respect to any Security, any successor to such Person. If at any time there is more than one such person, "Depository" shall mean, with respect to any Securities, the qualifying entity that has been appointed with respect to such Securities.

"Designated Subsidiary" means Connecticut General Life Insurance Company and Life Insurance Company of North America, so long as it remains a Subsidiary, or any Subsidiary which is a successor of such Designated Subsidiary.

"Event of Default" has the meaning specified in Section 501.

"Floating or Adjustable Rate Provision" means a formula or provision, specified in or pursuant to a Board Resolution or an indenture supplemental hereto, providing for the determination, whether pursuant to objective factors or pursuant to the sole discretion of any person (including the Company), and periodic adjustment of the interest rate borne by a Floating or Adjustable Rate Security.

"Floating or Adjustable Rate Security" means any Security which provides for interest thereon at a periodic rate that may vary from time to time over the term thereof in accordance with a Floating or Adjustable Rate Provision.

"Foreign Government Obligations" means (x) any security that is (i) a direct obligation of the government that issued such currency for the payment of which the full faith and credit of such government is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality for such government the payment of which is unconditionally guaranteed as a full faith and credit obligation by such government, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian (I) with respect to any specific payment of principal of or interest on any such Foreign Government Obligation specified in Clause (x) of this definition of Foreign Government Obligation and held by such custodian for the account of the holder of such depositary receipt, or (II) with respect to any specific payment of principal of or interest on any such Foreign Government Obligation, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Foreign Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

"Global Security" means a Security in the form prescribed in Section 205 evidencing all or a part of any series of Securities which is executed by the Company and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository' s instruction, all in accordance with this Indenture and pursuant to a Company Order, which shall be registered in the name of the Depository or its nominee.

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"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument, and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 201.

"interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date", when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Maturity", when used with respect to any Security, means the date on which the principal of such Securities or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Corporate Secretary or an Assistant Corporate Secretary, of the Company, and delivered to the Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 1007 shall be the principal executive, financial 'or accounting officer of the Company.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for (including an employee of) the Company, and who shall be reasonably acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, *except*:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company Shall act as its own Paying Agent) for the Holders of such Securities; *provided that*, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities for whose payment or redemption money or U.S. Government Obligations in the necessary amount has been theretofore deposited with the Trustee (or another trustee satisfying the requirements of Section 609) in trust for the Holders of such Securities in accordance with Section 1006; and

(iv) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture other than any such Securities in respect of which there shall

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have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 502, (ii) the principal amount of a Security denominated in one or more foreign currencies or currency units shall be the U.S. dollar equivalent, determined in the manner provided as contemplated by Section 301 on the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the date of original issuance of such Security of the amount determined as provided in (i) above) of such Security, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee' s right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 801.

"Responsible Officer", when used with respect to the Trustee, shall mean any officer within the corporate trust department (or any successor group of the Trustee), including any vice-president, assistant vice president, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers or to whom any corporate trust matter is referred at the Corporate Trust Office because of his knowledge of and familiarity with the particular subject.

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“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 305.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

“Stated Maturity”, when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

“Subsidiary” means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only as long as no senior class of stock has such voting power by reason of any contingency.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

“Trust Indenture Act” means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; *provided however*, that in the event the Trust Indenture Act of 1939 is amended after such date, “Trust Indenture Act” means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

“U.S. Government Obligation” means (x) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality for the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian (I) with respect to any specific payment of principal of or interest on any such U.S. Government Obligation specified in clause (x) of this definition of U.S. Government Obligation and held by such custodian for the account of the holder of such depositary receipt, or (II) with respect to any specific payment of principal of or interest on any such U.S. Government Obligation, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

“Vice President”, when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president”.

Section 102. *Compliance Certificates and Opinions.*

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Company, or an Opinion of

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Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificates or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 103. *Form of Documents Delivered to Trustee.*

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any, such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 104. *Acts of Holders; Record Dates.*

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing, or by any Person duly authorized by means of any written certification, proxy or other authorization furnished by a Depository; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments or, in the case of the Depository, furnishing the written certification, proxy or other authorization pursuant to which such instrument or instruments are signed. Proof of execution of any such instrument, any writing appointing any such agent or authorizing any such Person or any such written certification or proxy shall be sufficient for any purpose

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of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument, writing, certification or proxy may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument, writing, certification or proxy acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument, writing, certification or proxy or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any date as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Company prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date for action to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(d) The ownership of Securities shall be proved by the Security Register.

(e) Any request, demand, authorization, direction, notice, consent waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issues upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

Section 105. *Notices, Etc., to Trustee and Company.*

Any request, demand, authorization, direction, notice, consent waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Services, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, Attention: Corporate Secretary, addressed to the Company at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

Section 106. *Notice to Holders; Waiver.*

Where this Indenture provides for notice to Holders of any time such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such

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notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, notice may be waived in writing by the Person entitled to receive notice, either before or after the event, and such waiver shall be equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 107. *Conflict with Trust Indenture Act.*

If any provision hereof limits, qualifies, or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified be excluded, as the case may be.

Section 108. *Effect of Headings and Table of Contents.*

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 109. *Successors and Assigns.*

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 110. *Separability Clause.*

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 111. *Benefits of Indenture.*

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 112. *Governing Law; Waiver of Jury Trial.*

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof. EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTION CONTEMPLATED HEREBY.

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Section 113. *Legal Holidays.*

In any case where any Interest Payment Date, Redemption Date, Maturity or Stated Maturity of any Securities shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of the Securities of any series which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date or at the Maturity or Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, Maturity or Stated Maturity, as the case may be.

Section 114. *Personal Immunity from Liability for Incorporators, Stockholders, Etc.*

No recourse shall be had for the payment of the principal of or premium, if any, or interest, if any, on any Security, or for any claim based thereon, or otherwise in respect of any Security, or based on or in respect of this Indenture or any indenture supplemental hereto, against any incorporator, or against any past, present or future stockholder, director, officer, employee or agent, as such, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issue of the Securities.

Section 115. *Force Majeure.*

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to minimize the impact of such events and resume performance as soon as practicable under the circumstances.

ARTICLE TWO

SECURITY FORMS

Section 201. *Forms Generally.*

The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution, or an Officers' Certificate executed by officers of the Company authorized by Board Resolution, or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form of Securities of any series is established by action pursuant to a Board Resolution, or an Officers' Certificate executed by officers of the Company authorized by Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of Securities.

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The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on steel engraved borders or may be produced in any other manner, all as determines the officers executing such Securities, as evidenced by their execution such Securities.

Section 202. *Form of Face of Security.*

[*Insert any legend required by the Internal Revenue Code and the regulations thereunder.*]

CIGNA CORPORATION

[%] [Zero Coupon] Senior [Note] [Debenture] Due [ ]

No. $

CIGNA CORPORATION, a Delaware corporation (herein called the "Company"), for value received, hereby promises to pay to , or registered assigns, the principal sum of [Dollars] [*If applicable, substitute other currency*] on [*If the Security is to bear interest prior to Maturity, insert*– and to pay interest thereon from or from the most recent Interest Payment Date to which interest has been paid or duly provided for, [semi-annually on and in each year] [*If other than semi-annual payments, insert*– frequency of payments and payment dates], commencing , at [*If the Security is to bear interest at a fixed rate, insert*–the rate of % per annum [*If the Security is a Floating or Adjustable Rate Security, a rate per annum [computed-determined] in accordance with the* [*insert defined name of Floating Adjustable Rate Provision] set forth below] [If the Security is to bear interest at a rate determined with reference to an index, refer to description of index below*], until the principal hereof is paid or made available for payment. [*If applicable insert*–, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of % per annum on any overdue principal and premium and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the or (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture].

[If the Securities are Floating or Adjustable Rate Securities with respect to which the principal of or any premium or interest may be determined with reference to an index, insert the text of the Floating or Adjustable Rate Provision.]

[*If the Security is not to bear interest prior to Maturity, insert*–The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Security shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on any overdue principal that is not so paid on demand shall bear interest at the rate of % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.]

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Payment of the principal of (and premium, if any) and [*if applicable insert*– any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in , in such coin or currency [of the United States of America] [*if applicable, substitute other currency*] as at the time of payment is legal tender for payment of public and private debts [*if applicable, insert–; provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

[SEAL]

CIGNA CORPORATION

By ______________________________

Attest:

____

Section 203. *Form of Reverse of Security.*

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of August 16, 2006 (herein called the "Indenture"), between the Company and U.S. Bank National Association (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [[initially], limited in aggregate principal amount to $] [, subject to future issuances of additional securities pursuant to Section 301 of the Indenture].

[*If applicable, insert*–The Securities of this series are subject to redemption upon not less than 30 calendar days' nor more than 60 calendar days' notice by mail, [*if applicable, insert*–(1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)] at any time [on or after ,], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [on or before , %, and if, redeemed] during the 12-month period beginning of the years indicated,

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Year	Redemption Price

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption [*if applicable*, insert–(whether through operation of the sinking fund or otherwise)) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture;

[*If applicable, insert*–The Securities of this series are subject redemption upon not less than 30 calendar days' nor more than 60 calendar days' notice by mail, (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning of the years indicated,

Year	Redemption Price for Redemption Through Operation of the Sinking Fund	Redemption Price for Redemption Otherwise Than Through Operation of the Sinking Fund

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to Redemption Date, but interest installments whose Stated Maturity or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[The sinking fund for this series provides for the redemption on in each year beginning with the year to and including the year of [not less than] $ [("mandatory sinking fund") and not more than $] aggregate principal amount of Securities of this series. [Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made [*if applicable*–in the inverse order in which they become due.]]

[*If this Security is subject to redemption*,–In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

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[*If the Security is not an Original Issue Discount Security*,−If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[*If the Security is an Original Issue Discount Security*,−If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to−*insert formula for determining the amount*. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company' s obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate.]

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, or the right of the Holder of this Security, which is absolute and unconditional, to pay, or, in the case of the Holder of this Security, to receive payment of, the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or such Holder' s attorney duly authorized in writing; and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $ and any integral multiple [thereof] [of $ in excess thereof]. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for other Securities of this series, of a like tenor and aggregate principal amount but of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 of the Indenture not involving any transfer.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

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The Indenture provides that the Company, at the Company' s option, (a) will be discharged from any and all obligations in respect of the Securities (except for certain obligations to register the transfer or exchange of Securities, replace stolen, lost or mutilated Securities, maintain paying agencies and hold moneys for payment in trust) or (b) need not comply with certain restrictive covenants of the Indenture, in each case if the Company deposits, in trust, with the Trustee money, or U.S. Government Obligations (or Foreign Government Obligations if the Securities are denominated in a foreign currency or currencies) which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and (premium, if any) and interest on, the Securities on the dates such payments are due in accordance with the terms of such Securities, and certain other conditions are satisfied.

No recourse shall be had for the payment of the principal of (and premium, if any) or interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer, employee, agent or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Section 204. *Form of Trustee' s Certificate of Authentication.*

The Trustee' s certificate of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

U.S. Bank National Association,
as Trustee

By: ______________________________
Authorized Signatory

Section 205. *Additional Provisions Required in Global Security.*

Any Global Security issued hereunder shall, in addition to the provisions contained in Sections 202 and 203, bear the following legend (and/or such additional or alternate legend(s) relative to the terms of Global Securities as the Depository may request or the Company authorize in an Officers' Certificate pursuant to Section 201):

"This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Global Security exchangeable for Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances hereinafter described and may not be transferred except as a whole by the Depository to a nominee of the Depository to the Depository or another nominee of the Depository."

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In addition, any Global Security issued hereunder shall include a provision containing the language set forth below, or language of similar effect:

"This Security is a Global Security and shall be exchangeable for Securities registered in the names of Persons other than the Depository with respect to this Global Security or its nominee only if (x) such Depository notifies the Company that it is unwilling or unable to continue as Depository for this Global Security or at any time ceases to be a clearing agency registered as such under the Securities Exchange Act of 1934, as amended, if such registration is required by applicable law or regulation, (y) the Company executes and delivers to the Trustee a Company Order that this Global Security shall be exchangeable or (z) there shall have occurred and be continuing an Event of Default with respect to the Securities. If this Global Security is exchangeable pursuant to the preceding sentence it shall be exchangeable for Securities issuable in denominations of $1,000 and any integral multiple thereof, registered in such names as such Depository shall direct."

ARTICLE THREE

THE SECURITIES

Section 301. *Amount Unlimited; Issuable in Series.*

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. Prior to the issuance of Securities of any series, there shall be (i) established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or (ii) established in one or more indentures supplemental hereto:

(1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities or any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Sections 304, 305, 306, 906 or 1107 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date of such interest;

(4) the date or dates (or manner of determining the same) on which the principal of the Securities of the series is payable;

(5) the rate or rates (or manner of determining the same) at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any interest payable on any Interest Payment Date;

(6) if other than as set forth herein, the place or places where the principal of (and premium, if any) and interest on Securities of the series shall be payable;

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(7) the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company;

(8) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denominations of $1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(10) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(11) the currency, currencies or currency units in which payment of the principal of and any premium and interest on any Securities of the series shall be payable if other than the currency of the United States of America and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of "Outstanding" in Section 101;

(12) if the amount of payments of principal of (and premium, any) or interest on the Securities of the series may be determined with reference to an index, the manner in which such amounts shall be determined;

(13) the application, if any, of Section 1006 to the Securities of the series;

(14) if any of the Securities of the series are to be issued in whole or in part in the form of one or more Global Securities, a statement to that effect and, in such case, the Depository for such Global Security or Securities; and

(15) any other terms of the series.

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

Section 302. *Denominations.*

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of $1,000 and any integral multiple thereof.

Section 303. *Execution, Authentication, Delivery and Dating.*

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The Securities shall be executed on behalf of the Company by its Chairman of the Board, its Vice Chairman of the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Corporate Secretary or one of its Assistant Corporate Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company, to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and make available for delivery such Securities. If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall receive, and (subject to Section 601) shall be fully protected in conclusively relying upon, an Opinion of Counsel stating,

(a) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;

(c) that such Securities, when authenticated and delivered the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization and other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles; and

(d) that all laws and requirements in respect of the execution and delivery by the Company of such Securities have been complied with.

With respect to Securities of a series constituting a medium-term note program, the Trustee may conclusively rely on the documents and opinion delivered pursuant to Sections 201 and 301 and this Section 303, as applicable (unless revoked by superseding comparable documents or opinions) as to the authorization of the Board of Directors of any Securities delivered hereunder, the form thereof and the legality, validity, binding effect and enforceability thereof. With respect to Securities of a series constituting a medium-term note program, if the form and general terms of the Securities of such series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating, that the Securities have been duly authorized by the Company and, when duly executed by the Company and completed and authenticated by the Trustee in accordance with the Indenture and issued, delivered and paid for in accordance with any applicable distribution agreement will have been duly issued under the Indenture and will constitute valid and binding obligations of the Company entitled to the benefits provided by the Indenture, except that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally from time to time in force and general principles of equity. If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

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Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 801 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the time of authentication upon original issuance of the first Security of such series.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

Section 304. *Temporary Securities.*

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and make available for delivery, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive, Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Company shall execute and (in accordance with a Company Order delivered at or prior to the authentication of the first definitive Security of such series) the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of authorized denominations and of a like aggregate principal amount and tenor. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

Section 305. *Registration, Registration of Transfer and Exchange*

The Company shall cause to be kept a security register (the register so maintained being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee shall have the right to examine the Security Register at all reasonable times. Unless otherwise designated by the Company by written notice to the Trustee, the Trustee shall be, and is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver in the name of the designated transferee or transferees, one or mars new

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Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906, or 1107 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 301, a Global Security of any series shall be exchangeable pursuant to this Section for Securities registered in the names of Persons other than the Depository with respect to such series or its nominee only as provided in this paragraph. A Global Security shall be exchangeable pursuant to this Section if (x) such Depository notifies the Company that it is unwilling or unable to continue as Depository for such series or at any time ceases to be a clearing agency registered as such under the Securities Exchange Act of 1934, as amended, if such registration is required by applicable law or regulation, and a successor depository is not appointed by the Company within 90 days of the date the Company receives notice from the Depository, (y) the Company executes and delivers to the Trustee a Company Order that such Global Security shall be so exchangeable or (z) there shall have occurred and be continuing an Event of Default with respect to the Securities. Any Global Security that is exchangeable pursuant to the preceding sentence shall be exchangeable for Securities issuable in denominations of $1,000 and any integral multiple thereof, registered in such names as the Depository for such Global Security shall direct.

Notwithstanding any other provision of this Section, a Global Security may not be transferred except as a whole by the Depository to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository.

Section 306. *Mutilated, Destroyed, Lost and Stolen Securities.*

If any mutilated Security is surrendered to the Trustee, and there is delivered to the Company and the Trustee such security or indemnity as may be required by them to save each of them and any agent of them harmless, the Company shall execute and the Trustee

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shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an origin, additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 307. *Payment of Interest; Interest Rights Preserved.*

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Unless otherwise provided with respect to the Securities of any series, at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by such method or methods as any Holder shall specify in writing from time to time to the Company or its agent.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called “Defaulted Interest”) shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in

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this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not legs than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 308. *Persons Deemed Owners.*

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

No holder of any beneficial interest in any Global Security held on its behalf by a Depository shall have any rights under this Indenture with respect to such Global Security, and such Depository may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee from giving effect to any written certification, proxy, or other authorization furnished by a Depository, or impair, as between a Depository and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depository as Holder of any Security.

Section 309. *Cancellation.*

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it; and any Security surrendered to the Trustee for any such purpose shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. Notwithstanding any other provision of this Indenture to the contrary, in the case of a series all the Securities of which are not to be originally issued at one time, a Security of such series shall not be deemed to have been Outstanding at any time hereunder if and to the extent that, subsequent to the authentication and delivery thereof, such Security is delivered to the Trustee for cancellation by the Company or any agent thereof upon the failure of the original purchaser thereof to make payment

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therefor against delivery thereof, and any Security so delivered to the Trustee shall be promptly cancelled by it. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of in accordance with the Trustee' s customary procedures.

Section 310. *Computation of Interest.*

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 311. *CUSIP Numbers.*

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

Section 401. *Satisfaction and Discharge of Indenture.*

This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all such Securities not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee

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for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company under Section 306, the obligations of the Company to the Trustee under Section 607, if money or U.S. Government Obligations shall have been deposited with the Trustee in accordance with Section 1006, the obligations of the Company to the Trustee under Section 402(b), and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003, shall survive.

Section 402. *Application of Trust Money.*

(a) Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401, all money and U.S. Government Obligations deposited with the Trustee (or other trustee satisfying the requirements of Section 609, collectively, for purposes of this Section 402, the "Trustee") pursuant to Section 1006 and all money received by the Trustee in respect of U.S. Government Obligations deposited with the Trustee pursuant to Section 1006, shall be held in trust and applied by the Trustee, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with or received by the Trustee or to make mandatory sinking fund payments or analogous payments as contemplated by Section 408 or 1006.

(b) The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against U.S. Government Obligations deposited pursuant to Section 1006 or the interest and principal received in respect of such U.S. Government Obligations other than any such tax, fee or other charge which by law is payable by or on behalf of Holders.

(c) Anything in this Article Four to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 1006 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then have been required to be deposited for the purpose for which such money or U.S. Government Obligations were deposited or received.

ARTICLE FIVE

REMEDIES

Section 501. *Events of Default.*

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"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(4) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture in any material respect (other than a covenant or warranty a default in the performance of which or the breach of which is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 90 days after there has been given, by overnight mail or other same day or overnight delivery service which can provide evidence of delivery, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or' of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(6) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(7) any other Event of Default provided with respect to Securities of that series.

Section 502. *Acceleration of Maturity; Rescission and Annulment.*

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal

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amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, the Security Registrar, any Paying Agent and their agents and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the nonpayment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 503. *Collection of Indebtedness and Suits for Enforcement by Trustee.*

The Company covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal (and premium, if any) and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and other amounts due the Trustee under Section 607.

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If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 504. *Trustee May File Proofs of Claim.*

In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. *Trustee May Enforce Claims Without Possession of Securities.*

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 506. *Application of Money Collected.*

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607; and

SECOND: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal (and premium, if any) and interest, respectively; and

THIRD: The remainder, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive such remainder or as a court of competent jurisdiction shall direct.

Section 507. *Limitation on Suits.*

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No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders), or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

Section 508. *Unconditional Right of Holders to Receive Principal, Premium and Interest.*

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) any interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Section 509. *Restoration of Rights and Remedies.*

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510. *Rights and Remedies Cumulative.*

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or

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employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. *Delay or Omission Not Waiver.*

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein, Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. *Control by Holders.*

The Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, *provided* that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall have the right to decline to follow such direction if the Trustee in good faith shall, by a Responsible Officer or Officers, determine that such direction would be prejudicial to the Holders not joining in such direction or would involve the Trustee in personal liability.

The Trustee may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to so direct the Trustee. If a record date is fixed, the Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to so direct the Trustee, or to amend any such direction, whether or not such Holders remain Holders after such record date; *provided* that no such direction or amendment shall be valid or effective for more than 90 days after such record date.

Section 513. *Waiver of Past Defaults.*

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(1) in the payment of the principal of (or premium, if any) or interest on any Security of such series, or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected,

With respect to any series of Securities issued hereunder, the Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to waive any past default hereunder. If a record date is fixed, the Holders on such record

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date, or their duly designated proxies, and only such persons, shall be entitled to waive any default hereunder, or to retract (prior to the delivery to the Trustee of waivers from the Holders of a majority of such Securities) any such waiver previously given, whether or not such Holders remain Holders after such record date; *provided*, that no such waiver shall be valid or effective for more than 90 days after such record date.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other, default or impair any right consequent thereon.

Section 514. *Undertaking for Costs.*

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs, including attorneys' fees and expenses, against, any such party litigant, in the manner and to the extent provided in the Trust Indenture Act. This Section 514 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 508 hereof, or a suit by Holders of more than 10% in principal amount of the then Outstanding Securities.

Section 515. *Waiver of Stay or Extension Laws.*

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

Section 601. *Certain Duties and Responsibilities.*

The duties and responsibilities of the Trustee shall be as provided in the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 602. *Notice of Defaults.*

If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; *provided, however*, that in the case of any default of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 90 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

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Except in the case of an Event of Default arising from the failure to make a payment of principal, premium, if any, or interest, if any, on any Security, the Trustee may withhold the notice if and so long as, it in good faith determines that withholding the notice is in the interests of the Holders.

Section 603. *Certain Rights of Trustee.*

Subject to the provisions of Section 601:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(i) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

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(j) the Trustee shall not be deemed to have notice of any default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture;

(k) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder; and

(l) the Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture (which certificate may be amended, supplemented or modified by the Company from time to time).

Section 604. *Not Responsible for Recitals or Issuance of Securities.*

The recitals contained herein and in the Securities, except the Trustee' s certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

Section 605. *May Hold Securities.*

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 618, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

Section 606. *Money Held in Trust.*

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

Section 607. *Compensation and Reimbursement.*

The Company agrees

(1) to pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

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(3) to indemnify the Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Company, a Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of, premium, if any, or interest on the Securities.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture.

Section 608. *Disqualification; Conflicting Interests.*

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

Section 609. *Corporate Trustee Required; Eligibility.*

There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least $50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. *Resignation and Removal; Appointment of Successor.*

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee, pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and to the Company.

(d) If at any time:

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(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

then, in any such case, (i) the Company pursuant to a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If an instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of removal, the Trustee being removed may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

Section 611. *Acceptance of Appointment by Successor.*

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and

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deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments which may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

Section 612. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

Section 613. *Preferential Collection of Claims Against Company.*

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

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Section 614. *Appointment of Authenticating Agent.*

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder, Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee, the Trustee' s certificate of authentication, or the delivery of the Securities to the Trustee for authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent, a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent or delivery of Securities to the Authenticating Agent for authentication in place of the Trustee, as the case may be. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its

appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee' s certificate of authentication, an alternate certificate of authentication in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

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Dated: U.S. Bank National Association,
As Trustee

By: ______________________________
As Authenticating Agent

By: ______________________________
Authorized Signatory

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 701. *Company to Furnish Trustee Names and Addresses of Holders.*

The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not later than May 1 and November 1 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of the preceding April 15 or October 15, as the case may be, and

(b) at such other times as the Trustee may request in writing, within 90 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

Section 702. *Preservation of Information; Communications to Holders.*

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its

capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding' the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

Section 703. *Reports by Trustee.*

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. If required by Section 313 (a) of the Trust Indenture Act, the Trustee shall, within sixty days after each May 15 following the date of the initial issuance of

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Securities under this Indenture deliver to Holders a brief report, dated as of such May 15, which complies with the provisions of such Section 313(a).

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will promptly notify the Trustee in writing when any Securities are listed on any stock exchange and of any delisting thereof.

Section 704. *Reports by Company.*

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee' s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company' s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. *Company May Consolidate, Etc., Only on Certain Terms.*

The Company shall not consolidate with or merge into any other Person (other than a merger or consolidation in which the Company is the surviving Person) or sell its properties and assets as, or substantially as, an entirety to any Person, unless:

(1) the Person formed by such consolidation or with or into which the Company is merged or the Person that purchases the properties and assets of the Company as, or substantially as, an entirety shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed, by supplemental indenture reasonably satisfactory in form to the Trustee, executed and delivered to the Trustee;

(2) immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing; and;

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, or sale and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 802. *Successor Corporation Substituted.*

Upon any consolidation of the Company with, or merger by the Company into, any other corporation or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor

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corporation formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. *Supplemental Indentures Without Consent of Holders.*

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(3) to add any additional Events of Default; or

(4) to add to or to change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(5) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, provided that any such addition, change or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective only when there is no such Security Outstanding; or

(6) to secure the Securities pursuant to the requirements of Section 1006 or otherwise; or

(7) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(9) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of previously issued and Outstanding Securities pursuant to Section 1006, *provided* that any such action shall not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect; or

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(10) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, *provided* that such action pursuant to this Clause (10) shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or

(11) to conform to any mandatory provisions of law.

Section 902. *Supplemental Indentures with Consent of Holders.*

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; *provided, however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1008, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby, *provided, however*, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1008 in accordance with the requirements of Sections 611(b) and 901(8).

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

With respect to any series of Securities issued hereunder, the Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders on

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such record date or their duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture or to revoke (prior to the delivery to the Trustee of consents from the Holders of not less than a majority of such Securities) any such consent previously given, whether or not such Holders remain Holders after such record date; *provided*, that no such consent shall be valid or effective for more than 90 days after such record date.

Section 903. *Execution of Supplemental Indentures.*

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall receive, and (subject to Section 601) shall be fully protected in conclusively relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee' s own rights, duties or immunities under this Indenture or otherwise.

Section 904. *Effect of Supplemental Indentures.*

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. *Conformity with Trust Indenture Act.*

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

Section 906. *Reference in Securities to Supplemental Indentures.*

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

Section 907. *Waiver of Compliance by Holders.*

Anything in this Indenture to the contrary notwithstanding, any of the acts which the Company is required to do, or is prohibited from doing, by any of the provisions of this Indenture may, to the extent that such provisions might be changed or eliminated by a supplemental indenture pursuant to Section 902 upon consent of Holders of not less than a majority in aggregate principal amount of the then Outstanding Securities of the series affected, be omitted or done by the Company if there is obtained the prior consent or waiver of the Holders of at least a majority in aggregate principal amount of the then Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

Section 1001. *Payment of Principal Premium and Interest.*

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The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of (and premium, if any) and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

Section 1002. *Maintenance of Office or Agency.*

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. Unless otherwise designated by the Company by written notice to the Trustee, such office or agency shall be the designated office of the Trustee in New York, New York. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 1003. *Money for Securities Payments to Be Held in Trust.*

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of (and premium, if any) or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of (and premium, if any) or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, and upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

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Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

Section 1004. *Corporate Existence.*

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; *provided however*, that the Company shall not be required to preserve any such right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

Section 1005. *Limitation on Liens on Common Stock of Designated Subsidiaries.*

Except as otherwise specified as contemplated by Section 301 for Securities of any series, so long as any Securities of any series shall remain Outstanding, the Company will not, and will not permit any Subsidiary to, directly or indirectly, create, issue, assume, incur or guarantee any indebtedness for money borrowed which is secured by a mortgage, pledge, lien, security interest or other encumbrance of any nature on any of the present or future common stock of a Designated Subsidiary, which common stock is directly or indirectly owned by the Company, unless the Securities and, if the Company so elects, any other indebtedness of the Company ranking at least pari passu with the Securities, shall be secured equally and ratably with (or prior to) such other secured indebtedness for money borrowed so long as it is outstanding and is secured.

Section 1006. *Defeasance and Covenant Defeasance.*

(a) *Company's Option to Effect Defeasance and Covenant Defeasance*. The Company may elect, at any time, to have either Section 1006(b) or Section 1006(c) applied to the Outstanding Securities of any series upon compliance with the conditions set forth in this Section 1006.

(b) *Defeasance and Discharge*. Upon the Company's exercise of the option provided in Section 1006(a) to have this Section 1006(b) applied to the Outstanding Securities of any series, the Company shall be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series as provided in this Section 1006(b) on and after the date the conditions set forth in Section 1006(d) are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all of the Company's other obligations under the Securities of such series and this Indenture insofar as the Securities of such series are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (1) the rights of Holders of Securities of such series to receive, solely from the trust fund described in Section 1006(d) and as more fully set forth in such Section, payments in respect of the principal of and any premium and interest on such Securities of such series when payments are due, (2) the Company's obligations with respect to the Securities of such series under Sections 304, 305, 306, 1002 and 1003, (3) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including, without limitation, its rights under Section 607 and (4) this Section 1006. Subject to compliance with this Section 1006, the Company may exercise its option provided in Section 1006(a) to have this Section 1006(b) applied to the Outstanding Securities of any series notwithstanding the prior exercise of its option provided in Section 1006(a) to have Section 1006(c) applied to the Outstanding Securities of such series.

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(c) *Covenant Defeasance*. Upon the Company' s exercise of the option provided in Section 1006(a) to have this Section 1006(c) applied to the Outstanding Securities of any series, (1) the Company shall be released from its obligations under Sections 801 and 1005 and (2) the occurrence of any event specified in Section 501(4) (with respect to Sections 801 and 1005), in each case with respect to the Outstanding Securities of such series as provided in this Section 1006(c) on and after the date the conditions set forth in Section 1006(d) are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that the Company may omit to comply with (and no Event of Default shall arise out of such non-compliance) and shall have no liability in respect of any term, condition or limitation set forth in Section 801 and/or 1005, whether directly or indirectly by reason of any reference elsewhere herein to any such Section or by reason of any reference in any such Section to any other provision herein or in any other document, but the remainder of this Indenture and the Securities of such series shall be unaffected thereby.

(d) *Conditions to Defeasance or Covenant Defeasance*. The following shall be the conditions to application of either Section 1006(b) or Section 1006(c) to the Outstanding Securities of any series:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee that satisfies the requirements contemplated by Section 609 and agrees to comply with the provisions of this Section 1006 applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of Outstanding Securities of such series, (A) in the case of Securities of such series denominated in U.S. dollars, (i) money in an amount, (ii) U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one Business Day before the due date of any payment, money in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on the Securities of such series on the respective Stated Maturities, in accordance with the terms of this Indenture and the Securities of such series or (B) in the case of Securities of such series denominated in a currency other than the U.S. dollar, (i) money in such currency in an amount, or (ii) Foreign Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one Business Day before the due date of any payment, money in such currency in an amount, or (iii) a combination thereof, in each case sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on the Securities of such series on the respective Stated Maturities, in accordance with the terms of this Indenture and the Securities of such series.

(2) In the case of an election under Section 1006(b), the Company shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Company has received from the U.S. Internal Revenue Service a letter ruling, or there has been published by the U.S. Internal Revenue Service a Revenue Ruling, or (ii) since the date of execution of this Indenture, there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize gain or loss for Federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to the Securities of such series and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

(3) In the case of an election under Section 1006(c), the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the Outstanding Securities of such series will not recognize gain or loss for Federal income tax purposes as result of the deposit and Covenant Defeasance to be effected with respect to the Securities of such series and

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will be subject to Federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.

(4) The Company shall have delivered to the Trustee an Officers' Certificate to the effect that the Securities of such series, if then listed on any securities exchange, will not be delisted as a result of such deposit.

(5) No Event of Default or event that (after notice or lapse of time or both) would become an Event of Default shall have occurred and be continuing at the time of such deposit or, with regard to any Event of Default or any such event specified in Sections 501(5) and 501(6), at any time on or prior to the 90th calendar day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th calendar day).

(6) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

(7) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be qualified under such Act or exempt from regulation thereunder.

(e) *Deposited Money and U.S. Government Obligations or Foreign Government Obligations to be Held in Trust; Other Miscellaneous Provisions*. Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations or Foreign Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section 1006(e) and Section 1006(f), the Trustee and any such other trustee are referred to collectively as the "Trustee") pursuant to Section 1006(d) in respect of the Securities of any series shall be held in trust and applied by the Trustee, in accordance with the provisions of the Securities of such series and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of Securities of such series, of all sums due and to become due on such Securities in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations or Foreign Government Obligations deposited pursuant to Section 1006(d) or the principal and interest received in respect thereof other than any such tax, fee or other charge that by law is for the account of the Holders of Outstanding Securities.

Anything in this Section 1006 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations or Foreign Government Obligations held by the Trustee as provided in Section 1006(d) with respect to Securities of any series that, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Defeasance or Covenant Defeasance with respect to the Securities of such series.

(f) *Reinstatement*. If the Trustee or the Paying Agent is unable to apply any money in accordance with this Section 1006 with respect to the Securities of any series by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities of such series shall be revived and reinstated as though no deposit had occurred pursuant to this Section 1006 with respect to Securities of such series until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 1006(e) with respect to Securities of such series in accordance with this Section 1006; *provided, however*, that if the Company makes any payment of

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principal of or any premium or interest on any Security of such series following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of Securities of such series to receive such payment from the money so held in trust.

Section 1007. *Statement by Officers as to Default.*

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, stating whether or, not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

The Company shall deliver to the Trustee, as soon as possible and in any event within five days after an executive officer of the Company becomes aware of the occurrence of any Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers' Certificate setting forth the details of such Event of Default or default and the action which the Company proposes to take with respect thereto.

Section 1008. *Waiver of Certain Covenants.*

The Company may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1004 or 1005, inclusive, with respect to the Securities of any series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

Section 1009. *Calculation of Original Issue Discount.*

The Company shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

Section 1101. *Applicability of Article.*

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

Section 1102. *Election to Redeem; Notice to Trustee.*

The election of the Company to redeem any Securities shall be evidenced by an Officers' Certificate. In case of any redemption at the election of the Company of the Securities of any series, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such

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Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

Section 1103. *Selection by Trustee of Securities to Be Redeemed.*

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series and of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by lot or such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If less than all of the Securities of such series and of a specified tenor are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

Section 1104. *Notice of Redemption.*

Notice of redemption shall be given by first-class mail, postage pre-paid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall identify the Securities to be redeemed (including CUSIP number(s)) and shall state:

(1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and

(6) that the redemption is for a sinking fund, if such is the case.

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Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company' s written request, by the Trustee in the name and at the expense of the Company.

Section 1105. *Deposit of Redemption Price.*

Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date, unless otherwise specified as contemplated by Section 301) accrued interest on, all the Securities which are to be redeemed on that date.

Section 1106. *Securities Payable on Redemption Date.*

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; *provided, however*, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

Section 1107. *Securities Redeemed in Part.*

Any Security (including any Global Security) which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered; *provided*, that if a Global Security is so surrendered, the new Global Security shall be in a denomination equal to the unredeemed portion of the principal of the Global Security so surrendered.

ARTICLE TWELVE

SINKING FUNDS

Section 1201. *Applicability of Article.*

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a “mandatory sinking fund payment”, and any payment in excess of, such minimum amount provided for by the terms of Securities of

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any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

Section 1202. *Satisfaction of Sinking Fund Payments with Securities.*

The Company (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; *provided* that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 1203. *Redemption of Securities for Sinking Fund.*

Not less than 60 days prior to each sinking fund payment date for any series of Securities (unless a shorter period of time shall be acceptable to the Trustee), the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

CIGNA CORPORATION

By: /s/ Renee Cieslukowski
Name: Renee Cieslukowski
Title: Assistant Treasurer

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Jean Clarke

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Name: Jean Clarke
Title: Assistant Vice President

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Exhibit 4.1(b)

SUPPLEMENTAL INDENTURE NO. 1

THIS SUPPLEMENTAL INDENTURE NO. 1, dated as of November 10, 2006 (the "Supplemental Indenture No. 1"), between **CIGNA CORPORATION**, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee").

RECITALS:

WHEREAS, the Company and the Trustee are parties to a Senior Indenture, dated as of August 16, 2006 (the "Base Indenture" and as amended by this Supplemental Indenture No. 1, the "Indenture"), relating to the issuance from time to time by the Company of its Securities on terms to be specified at the time of issuance;

WHEREAS, Section 901(7) of the Base Indenture provides that the Company may enter into a supplemental indenture to establish the terms and provisions of a series of Securities issued pursuant to the Indenture;

WHEREAS, the Company desires to issue a series of Securities, and has duly authorized the creation and issuance of such Securities and the execution and delivery of this Supplemental Indenture No. 1 to modify the Base Indenture and provide certain additional provisions as hereinafter described;

WHEREAS, the parties hereto deem it advisable to enter into this Supplemental Indenture No. 1 for the purpose of establishing the terms of such Securities, providing for the rights, obligations and duties of the Trustee with respect to such Securities and amending certain provisions of the Base Indenture; and

WHEREAS, all conditions and requirements of the Base Indenture necessary to make this Supplemental Indenture No. 1 a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by the parties hereto.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

ARTICLE I
THE SENIOR NOTES

Section 1.01 **Title of Securities.** There shall be a series of Securities designated the "6.150% Senior Notes due 2036" of the Company (the "Senior Notes").

Section 1.02 **Limitation of Aggregate Principal Amount.** The aggregate principal amount of the Senior Notes shall initially be limited to $250,000,000 (except for Securities

authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, Senior Notes pursuant to Sections 304, 305, 306, 906 or 1107 of the Indenture and except for any Securities which, pursuant to Section 303 of the Indenture, are deemed never to have been authenticated and delivered thereunder). The Company may, without the consent of the Holders of the Senior Notes, issue additional Senior Notes having the same interest rate, maturity date, CUSIP number and other terms (other than issue date and issue price) ("Additional Senior Notes"). Any Additional Senior Notes, together with the Senior Notes, will constitute a single series of

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Securities under the Indenture. No Additional Senior Notes may be issued if an Event of Default under the Indenture has occurred and is continuing with respect to the Senior Notes.

Section 1.03 **Principal Payment Date.** The principal amount of the Senior Notes outstanding (together with any accrued and unpaid interest) shall be payable in a single installment on November 15, 2036, which date shall be the Stated Maturity of the Senior Notes.

Section 1.04 **Interest and Interest Rates.** The rate of interest on each Senior Note shall be 6.150% per annum, accruing from November 10, 2006, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually in arrears on May 15 and November 15 of each year commencing May 15, 2007 until the principal thereof is paid or made available for payment. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full monthly period shall be computed on the basis of the actual number of calendar days elapsed in such a period. In the event that any Interest Payment Date, Redemption Date, Maturity or Stated Maturity of any Senior Note is not a Business Day, then payment of interest or principal (and premium, if any) payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay). The interest so payable in respect of any Senior Note, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Senior Note (or one or more Predecessor Securities) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day) prior to such Interest Payment Date (the "Regular Record Date"). Any such interest not punctually paid or duly provided for in respect of any Senior Note shall forthwith cease to be payable to the registered Holder on such Regular Record Date and may either be paid to the Person in whose name such Senior Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date to be fixed by the Trustee for the payment of such Defaulted Interest, notice whereof shall be given to the Holders of the Senior Notes not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Senior Notes may be listed, and upon such notice as may be required by such exchange.

Section 1.05 **Place of Payment.** The place where the Senior Notes may be presented or surrendered for payment, where the Senior Notes may be surrendered for registration of transfer or exchange and where notices and demand to or upon the Company in respect of the Senior Notes and the Indenture may be served shall be the Corporate Trust Office of the Trustee or the Paying Agent' s office maintained for that purpose in the Borough of Manhattan, City of New York.

Section 1.06 **Optional Redemption.**

(a) The Company may redeem the Senior Notes, at any time, and from time to time, in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of such Senior Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest (excluding interest accrued to the Redemption Date) on the Senior Notes to be redeemed from the Redemption Date to the Stated Maturity date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 25 basis points, plus, in each case, accrued and unpaid interest on the Senior Notes to the Redemption Date (the "Redemption Price"). Unless the Company defaults in payment of the Redemption Price, interest will cease to accrue on the Senior Notes called for redemption on and after the Redemption Date.

(b) The Treasury Rate shall be calculated on the third Business Day preceding the Redemption Date.

(c) Notice of redemption shall be given in accordance with Section 1104 of the Indenture. If less than all of the Senior Notes then Outstanding are to be redeemed, the Trustee will select the particular Senior Notes or portions thereof in accordance with Section 1103 of the Indenture.

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(d) For the purposes of this Section 1.06 of Supplemental Indenture No. 1, the terms below are defined as follows:

"*Comparable Treasury Issue*" means the United States Treasury Security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Senior Notes to be redeemed.

"*Comparable Treasury Price*" means, with respect to any Redemption Date for any Senior Notes, the average of all Reference Treasury Dealer Quotations obtained.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"*Primary Treasury Dealer*" means a primary U.S. Government securities dealer in New York City.

"*Reference Treasury Dealer*" means Barclays Capital Inc. and its successors and J.P. Morgan Securities Inc. and its successors; provided, however, that if any Reference Treasury Dealer ceases to be a Primary Treasury Dealer, the Company will substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked

prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such Redemption Date.

"*Treasury Rate*" means, with respect to any Redemption Date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for the Senior Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Section 1.07 **Sinking Fund Obligations.** The Company has no obligation to redeem or purchase any Senior Notes pursuant to any sinking fund or analogous requirement or upon the happening of a specified event or at the option of a Holder thereof.

Section 1.08 **Denomination.** The Senior Notes shall be issuable only in registered form without coupons and in denominations of $2,000 and multiples of $1,000 in excess thereof.

Section 1.09 **Currency.** Principal and interest on the Senior Notes shall be payable in such coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts.

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Section 1.10 **Senior Notes to be Issued in Global Form.** The Senior Notes will be permanently represented by one or more securities in global form (the "Global Note"). The Company hereby designates The Depository Trust Company as the initial Depositary for the Global Note.

Section 1.11 **Form of Senior Notes.** The Senior Notes shall be substantially in the form attached as **Annex A** hereto.

Section 1.12 **Security Registrar and Paying Agent for the Senior Notes.** The Trustee shall serve initially as the Security Registrar and the Paying Agent.

Section 1.13 **Defeasance.** The provisions of Section 1006 of the Indenture shall apply to the Senior Notes.

ARTICLE II
MISCELLANEOUS

Section 2.01 **Integral Part; Effect of Supplement on Indenture.** This Supplemental Indenture No. 1 constitutes an integral part of the Indenture. Except for the amendments and supplements made by this Supplemental Indenture No. 1, the Base Indenture shall remain in full force and effect as executed.

Section 2.02 **General Definitions.** For purposes of this Supplemental Indenture No. 1:

(a) Capitalized terms used herein without definition shall have the meanings specified in the Base Indenture;

(b) All references to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of the Base Indenture; and

(c) The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Supplemental Indenture No. 1.

Section 2.03 **Adoption, Ratification and Confirmation.** The Indenture, as supplemented by this Supplemental Indenture No. 1, is in all respects hereby adopted, ratified and confirmed.

Section 2.04 **Trustee Not Responsible for Recitals.** The recitals in this Supplemental Indenture No. 1 are made by the Company, and the Trustee assumes no responsibility for the correctness of such recitals. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture No. 1.

Section 2.05 **Counterparts**. This Supplemental Indenture No. 1 may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original and all of which shall constitute but one and the same instrument.

Section 2.06 **Governing Law**. This Supplemental Indenture No. 1 and the Senior Notes shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made or instruments entered into, in each case, performed in said state.

[*signature page follows*]

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IN WITNESS WHEREOF, the Company and the Trustee have executed this Supplemental Indenture No. 1 as of the date first above written.

CIGNA CORPORATION

By: /s/ Mordecai Schwartz

Name: Mordecai Schwartz
Title: Senior Vice President and Treasurer

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Paul J. Schmalzel

Name: Paul J. Schmalzel
Title: Vice President

ANNEX A

FORM OF GLOBAL NOTE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE AND IS REGISTERED IN THE NAME OF CEDE & CO. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFERS OF THIS GLOBAL SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN NOMINEES OF CEDE & CO. OR A SUCCESSOR THEREOF OR SUCH SUCCESSOR' S NOMINEE.

CIGNA CORPORATION
6.150% Senior Note Due 2036

CUSIP: 125509BH1

No. 11/07/2006-01 Principal Amount $250,000,000

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CIGNA CORPORATION, a Delaware corporation (herein called the "Company"), which term includes any successor Person under the Indenture hereinafter referred to, for value received, hereby promises to pay to CEDE & CO., or its registered assigns, the principal sum of Two Hundred Fifty Million Dollars ($250,000,000) upon presentation and surrender of this Security on November 15, 2036 and to pay interest thereon accruing from November 10, 2006 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on May 15 and November 15 of each year, commencing May 15, 2007, at the rate of 6.150% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest payment, which shall be the close of business on the fifteenth calendar day (whether or not a Business Day) prior to such Interest Payment Date. Any such interest not

punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

[SEAL]

CIGNA CORPORATION

By: ______________________________

Name: Mordecai Schwartz

Title: Senior Vice President and Treasurer

Attest:

____

Name: Christine A. Reuther

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Title: Assistant Corporate Secretary

TRUSTEE' S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated under, and referred to in, the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ____
Authorized Signatory:

[REVERSE SIDE OF SECURITY]

CIGNA CORPORATION
6.150% Senior Notes due 2036

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under a Senior Indenture, dated as of August 16, 2006, as supplemented by a Supplemental Indenture No. 1, dated as of November 10, 2006 (as so supplemented, the "Indenture"), between the Company, as issuer, and U.S. Bank National Association, as trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, initially limited in aggregate principal amount to $250,000,000, subject to future issuances of additional Securities pursuant to Section 301 of the Indenture.

The Securities of this series are subject to redemption upon not less than 30 calendar days' nor more than 60 calendar days' notice by mail, at any time, and from time to time, in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of such Securities to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest (excluding interest accrued to the Redemption Date) on the Securities to be redeemed from the Redemption Date to the Stated Maturity date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 25 basis points, plus, in each case, accrued and unpaid interest on the Securities to the Redemption Date.

"*Treasury Rate*" means, with respect to any Redemption Date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for the Senior Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a

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price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Treasury Rate shall be calculated on the third Business Day preceding the Redemption Date.

"*Comparable Treasury Issue*" means the United States Treasury Security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Senior Notes to be redeemed.

"*Comparable Treasury Price*" means, with respect to any Redemption Date for any Senior Notes, the average of all Reference Treasury Dealer Quotations obtained.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"*Primary Treasury Dealer*" means a primary U.S. Government securities dealer in New York City.

"*Reference Treasury Dealer*" means Barclays Capital Inc. and its successors and J.P. Morgan Securities Inc. and its successors; provided, however, that if any Reference Treasury Dealer ceases to be a Primary Treasury Dealer, the Company will substitute therefor another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such Redemption Date.

Unless the Company defaults in payment of the Redemption Price, interest will cease to accrue on the Securities of this series called for redemption on and after the Redemption Date. In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon

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such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, or the right of the Holder of this Security, which is absolute and unconditional, to pay, or, in the case of the Holder of this Security, to receive payment of, the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or such Holder' s attorney duly authorized in writing; and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $2,000 and multiples of $1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for other Securities of this series, of a like tenor and aggregate principal amount but of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 of the Indenture not involving any transfer.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture provides that the Company, at the Company' s option, (a) will be discharged from any and all obligations in respect of the Securities (except for certain obligations to register the transfer or exchange of Securities, replace stolen, lost or mutilated Securities, maintain paying agencies and hold moneys for payment in trust) or (b) need not comply with certain restrictive covenants of the Indenture, in each case if the Company deposits, in trust, with the Trustee money, or U.S. Government Obligations (or Foreign Government Obligations if the Securities are denominated in a foreign currency or currencies) which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, in an

amount sufficient to pay all the principal (including any mandatory sinking fund payments) of, and (premium, if any) and interest on, the Securities on the dates such payments are due in accordance with the terms of such Securities, and certain other conditions are satisfied.

No recourse shall be had for the payment of the principal of (and premium, if any) or interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer, employee, agent or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

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All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ASSIGNMENT FORM

I or we assign and transfer this Security to:

Insert social security or other identifying number of assignee

Print or type name, address and zip code of assignee

and irrevocably appoint , as agent, to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: ____________________

Signed ____________________

(Sign exactly as name appears on the other side of this Security)

Signature Guarantee*:

* The Holder' s signature must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor institution" as defined by Rule l7Ad-15 under the Exchange Act.

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Exhibit 10.4

CIGNA RESTRICTED SHARE EQUIVALENT
PLAN FOR NON-EMPLOYEE DIRECTORS
(Amended and Restated Effective January 1, 2008)

ARTICLE 1
Statement of Purpose; Effect on Prior Plans

The CIGNA Restricted Share Equivalent Plan for Non-Employee Directors (Amended and Restated Effective January 1, 2008) ("Plan") is an amendment and restatement of the Restricted Stock/Stock Equivalent Plan for Non-Employee Directors of CIGNA Corporation ("Former Plan").

The Company granted restricted shares of Company Common Stock under the Former Plan from September 30, 1989 to September 30, 2004, and Restricted Share Equivalents (described in Article 3) from October 1, 2004 to January 1, 2006. No grants of any kind were made under the Former Plan after January 1, 2006. The Former Plan was closed to new participants effective January 17, 2006.

This Plan applies only to Restricted Share Equivalents granted under the Former Plan between October 1, 2004 and January 1, 2006. No grants will be made under this Plan. The purpose of this amendment and restatement is to comply with Section 409A of the Internal Revenue Code and to delete now-obsolete Plan provisions.

ARTICLE 2
Definitions

Except as otherwise provided in the Plan or unless the context otherwise requires, the terms defined below shall have the following meanings under the Plan:

2.01 "**Affiliate**" − the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

2.02 "**Beneficial Owner**" and "**Beneficially Owned**" − the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

2.03 "**Board**" − the Company' s Board of Directors.

2.04 "**Change of Control**" − any of the following:

(a) A corporation, person or group acting in concert, as described in Exchange Act Section 14(d)(2), holds or acquires beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act of a number of preferred or common shares of the Company having 25% or more of the combined voting power of the Company' s then outstanding securities; or

(b) There is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than:

(i) a merger or consolidation immediately following which the individuals who constituted the Board immediately prior thereto constitute at least a majority of the board of

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directors of the entity surviving such merger or consolidation or the ultimate parent thereof, or

(ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company' s then outstanding securities;

(c) A change occurs in the composition of the Board at any time during any consecutive 24-month period such that the Continuity Directors cease for any reason to constitute a majority of the Board. For purposes of the preceding sentence "Continuity Directors" shall mean those members of the Board who either: (1) were directors at the beginning of such consecutive 24-month period; or (2) were elected by, or on nomination or recommendation of, at least a majority of the Board (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company); or

(d) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company' s assets, other than a sale or disposition by the Company of all or substantially all of the Company' s assets immediately following which the individuals who constituted the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

2.05 "**Committee**" − the Corporate Governance Committee of the Board or any successor committee with responsibility for compensation of directors.

2.06 "**Common Stock**" − the common stock, par value $0.25 per share, of CIGNA Corporation.

2.07 "**Company**" − CIGNA Corporation.

2.08 "**Disability**" − a permanent and total disability as defined in Section 22(e)(3) of the Internal Revenue Code.

2.09 "**Eligible Director**" − a person who (a) was elected to the Board after September 30, 1989 and before January 1, 2006; (b) served as a director for at least six months; and (c) for the ten-year period ending on the date such service began, was not an officer or employee of the Company or any of its Subsidiaries.

2.10 "**Exchange Act**" − the Securities Exchange Act of 1934, as amended.

2.11 "**Person**" − the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (a) the Company or any of its Subsidiaries, (b) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (c) an underwriter temporarily holding securities pursuant to an offering of such securities, or (d) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

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2.12 "**Plan**" − the CIGNA Restricted Share Equivalent Plan for Non-Employee Directors (Amended and Restated Effective January 1, 2008).

2.13 "**Restricted Share Equivalent**" − a unit that represents a right to a cash payment equal to the value of one share of the Company' s Common Stock and a right to payment of hypothetical dividends, as described in Article 3.

2.14 "**Separation from Service**" − an Eligible Director' s separation from service, within the meaning of Treasury Regulation Section 1.409A-1(h). Generally, a Separation from Service occurs when a Director ceases to serve as a member of the Board or otherwise provide services to the Company or its affiliates.

2.15 "**Subsidiary**" − any corporation of which more than 50% of the total combined voting power of all classes of stock entitled to vote, or other equity interest, is directly or indirectly owned by CIGNA Corporation; or a partnership, joint venture or other unincorporated entity of which more than a 50% interest in the capital, equity or profits is directly or indirectly owned by CIGNA Corporation; provided that such corporation, partnership, joint venture or other unincorporated entity is included in the Company' s consolidated financial statements under generally accepted accounting principles.

ARTICLE 3
Restricted Share Equivalents

3.01 Eligibility and Grant. Each director who became an Eligible Director after October 1, 2004 but before January 17, 2006 received a grant of 4,500 Restricted Share Equivalents, effective as of the date the director became an Eligible Director. All outstanding Restricted Share Equivalents were adjusted to reflect a three-for-one stock split on June 4, 2007, so that Eligible Directors with outstanding grants had 13,500 Restricted Share Equivalents as of the split effective date.

3.02 General. The Company maintains an account on its books and records to record the number of Restricted Share Equivalents granted by the Company to Eligible Directors. Subject to the provisions of Section 3.04 below, the restrictions set forth in Section 3.03 shall apply to each grant of Restricted Share Equivalents. An Eligible Director' s right to receive plan payments represents an unsecured claim against CIGNA Corporation' s general assets.

3.03 Restrictions on Restricted Share Equivalents. The following restrictions apply to Restricted Share Equivalents:

(a) Except as otherwise provided in Section 3.06, the Eligible Director shall not be entitled to the payment of the Restricted Share Equivalents until the date provided in Section 3.05;

(b) None of the Restricted Share Equivalents may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of; and

(c) All of the Restricted Share Equivalents shall be forfeited, and all rights of the Eligible Director to such Restricted Share Equivalents shall terminate without further obligation on the part of the Company, upon the Eligible Director' s ceasing to be a director of the Company before the date the Restricted Share Equivalents vest.

3.04 Vesting of Restricted Share Equivalents.

(a) The Restricted Share Equivalents granted to an Eligible Director shall vest on the later of:

(1) Six months after the date of grant; or

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(2) The earliest of:

(A) The Eligible Director' s ninth anniversary of continuous service as a director of the Company;
(B) The Eligible Director' s attainment of age 65;
(C) The Eligible Director' s Disability;
(D) The Eligible Director' s death; or
(E) The occurrence of a Change of Control.

(b) If an Eligible Director' s resignation is accepted because he or she failed to receive the required majority vote for reelection and his or her Restricted Share Equivalents have not yet vested pursuant to Section 3.04(a), then a pro-rated portion of the Eligible Director' s Restricted Share Equivalents shall automatically vest effective as of the date of such resignation, with the portion to vest determined by multiplying 13,500 (adjusted as needed after June 4, 2007 in accordance with Section 4.01) by the following fraction: the number of complete months the Eligible Director performed continuous service as a director of the Company divided by 108. Any resulting fractional Restricted Share Equivalent shall be eliminated.

(c) If an Eligible Director ceases to be a director of the Company before the vesting of Restricted Share Equivalents pursuant to Section 3.04(a) or (b), the Eligible Director shall immediately forfeit all unvested Restricted Share Equivalents, except to the extent a majority of the other members of the Board approves their vesting.

3.05 Payment of Vested Restricted Share Equivalents. The cash value of the vested Restricted Share Equivalents shall be determined as of the date of an Eligible Director' s Separation from Service by using the closing price on that date as reported on the Composite tape or successor means of publishing stock prices (or, if the Composite tape or successor publication is not published on the date of Separation from Service, the closing price for the next preceding date of publication). The Company shall pay the resulting cash value in a lump sum to the Eligible Director (or the Eligible Director' s beneficiary or estate, as the case may be) within 45 days of the Eligible Director' s Separation from Service.

Notwithstanding the foregoing, if an Eligible Director is a specified employee within the meaning of Treas. Reg. sec. 1.409A-1(i) as of the date of Separation from Service, payment shall be made in a lump sum in the seventh month following Separation from Service. Restricted Share Equivalents will cease to be outstanding and an Eligible Director will cease to have any rights under them as of the date they are paid or forfeited.

3.06 Hypothetical Dividends. Each year that a Restricted Share Equivalent is outstanding, a lump sum payment shall be made to the Eligible Director in an amount equal to any dividends declared and paid on one share of Company Common Stock in that year (to the extent the record date for any such actual dividend occurs while the Restricted Share Equivalent is outstanding).

Article 4
Miscellaneous

4.01 Adjustment in Event of Changes in Capitalization. In the event of a combination or exchange of shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure of the Company, the Board may make such equitable adjustments, to prevent dilution or enlargement of rights, as it may deem appropriate in the number of Restricted Share Equivalents. Outstanding Restricted Share Equivalents shall be adjusted proportionally to reflect any recapitalization, stock split or stock dividend. Any additional Restricted Share Equivalents issued as a consequence of any such changes in the corporate structure or shares of the Company shall be subject to the same restrictions and provisions applicable to the Restricted Share Equivalents with respect to which they are issued.

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4.02 Termination or Amendment of the Plan. The Board may at any time terminate the Plan and may from time to time alter or amend the Plan or any part hereof (including any amendment deemed necessary to ensure that the Company may comply with any regulatory requirement) without shareholder approval, unless otherwise required by law or by the rules of the Securities and Exchange Commission or New York Stock Exchange. No termination or amendment of the Plan may, without the consent of an Eligible Director, impair the rights of such director with respect to outstanding Restricted Share Equivalents.

4.03 Administration. The Plan is to be administered by the Committee. The Committee shall have full power and authority to adopt, amend and rescind administrative guidelines, rules and regulations relating to this Plan, to interpret the Plan and to rule on any questions relating to any of its provisions, terms and conditions.

4.04 No Obligation to Nominate. Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any director for reelection by the Company' s shareholders.

4.05 Taxes and Withholding. The Company shall have the right to withhold any taxes as required by law with respect to the cash value of the Restricted Share Equivalents.

4.06 Code Section 409A. It is intended that the Plan comply with the requirements of Code Section 409A, and the Plan shall be so administered and interpreted.

4.07 Effective Dates. The Former Plan became effective as of September 30, 1989. The effective date of this amended and restated Plan is January 1, 2008.

4.08 References. All statutory and regulatory references in this Plan shall include successor provisions.

4.09 Controlling Law. This Plan shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, without regard to Pennsylvania conflict of laws rules, to the extent not preempted by federal law, which shall otherwise control.

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Exhibit 10.15

CIGNA DEFERRED COMPENSATION PLAN OF 2005

(Effective as of January 1, 2005)

Due to requirements imposed by Internal Revenue Code Section 409A, CIGNA is freezing the CIGNA Deferred Compensation Plan (Amended and Restated as of October 24, 2001) as of December 31, 2004 and adopting this new plan − the CIGNA Deferred Compensation Plan of 2005, effective as of January 1, 2005. The frozen CIGNA Deferred Compensation Plan will continue to apply to amounts that were deferred on or before December 31, 2004 and earnings thereon. This new plan will apply to amounts that are deferred after December 31, 2004 and earnings thereon.

ARTICLE 1
Definitions

These terms have the following meanings under the Plan.

1.1 "**Account**" − the separate bookkeeping account established for a Participant that represents the Company' s unfunded, unsecured obligation to make future payments to the Participant.

1.2 "**Administrator**" − the person or committee charged with responsibility for administration of the Plan.

1.3 "**Affiliate**" − the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

1.4 "**Beneficial Owner**" and "**Beneficially Owned**" − the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

1.5 "**Beneficiary**" − the person or trust designated in writing under the Plan by the Participant to receive payment of his/her remaining Account balance after Participant' s death.

1.6 "**Board Committee**" − the People Resources Committee of the Board of Directors, or any successor committee.

1.7 "**Board of Directors**" − the board of directors of CIGNA Corporation.

1.8 "**Change of Control**" − any of these events:

(a) a corporation, person or group acting in concert, as described in Exchange Act Section 14(d)(2), holds or acquires beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act of a number of preferred or

common shares of CIGNA Corporation having 25% or more of the combined voting power of CIGNA Corporation' s then outstanding securities; or

(b) there is consummated a merger or consolidation of CIGNA Corporation or any direct or indirect subsidiary of CIGNA Corporation with any other corporation, other than:

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(1) a merger or consolidation immediately following which the individuals who constituted the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity surviving such merger or consolidation or the ultimate parent thereof, or

(2) a merger or consolidation effected to implement a recapitalization of CIGNA Corporation (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of CIGNA Corporation (not including in the securities Beneficially Owned by such Person any securities acquired directly from CIGNA Corporation or its Affiliates) representing 25% or more of the combined voting power of the CIGNA Corporation' s then outstanding securities; or

(c) a change occurs in the composition of the Board of Directors at any time during any consecutive 24-month period such that the Continuity Directors cease for any reason to constitute a majority of the Board of Directors. For purposes of the preceding sentence "Continuity Directors" shall mean those members of the Board of Directors who either: (1) were directors at the beginning of such consecutive 24-month period; or (2) were elected by, or on nomination or recommendation of, at least a majority of the Board of Directors (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of CIGNA Corporation); or

(d) the shareholders of CIGNA Corporation approve a plan of complete liquidation or dissolution of CIGNA Corporation or there is consummated an agreement for the sale or disposition by CIGNA Corporation of all or substantially all of CIGNA Corporation' s assets, other than a sale or disposition by CIGNA Corporation of all or substantially all of CIGNA Corporation' s assets immediately following which the individuals who constituted the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of CIGNA Corporation immediately prior to such transaction or series of transactions

continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of CIGNA Corporation immediately following such transaction or series of transactions.

1.9 "**CIGNA Stock**" − the common stock of CIGNA Corporation.

1.10 "**Code**" − the Internal Revenue Code of 1986, as amended.

1.11 "**Company**" − CIGNA Corporation and each Subsidiary that has been authorized by the Chief Executive Officer of CIGNA Corporation to participate in the Plan.

1.12 "**Corporate Committee**" − the CIGNA Corporation Corporate Benefit Plan Committee, or any successor committee.

1.13 "**Deferral Election**" − the form described in Section 2.3 by which a Participant specifies amounts and items of compensation to be deferred.

1.14 "**Deferred Cash**" − compensation deferred under the Plan that would otherwise have been paid to a Participant in cash.

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1.15 "**Deferred CIGNA Stock**" − compensation deferred under the Plan that would otherwise have been paid to a Participant in shares of CIGNA Stock.

1.16 "**ERISA**" − the Employee Retirement Income Security Act of 1974, as amended.

1.17 "**Exchange Act**" − the Securities Exchange Act of 1934, as amended.

1.18 "**Participant**" − an employee of a Company who elects to participate in the Plan in accordance with the terms and conditions of the Plan.

1.19 "**Payment Election**" − the form described in Section 4.3 by which a Participant specifies the method and time of payment of compensation deferred under the Plan.

1.20 "**Performance-based Compensation**" − compensation as defined under Treasury Regulation Section 1.409A-1(e).

1.21 **"Person"** − the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (a) CIGNA Corporation or any of its Subsidiaries, (b) a trustee or other fiduciary holding securities under an employee benefit plan of CIGNA Corporation or any of its Affiliates, (c) an underwriter temporarily holding securities pursuant to an offering of such securities, or (d) a corporation owned, directly or indirectly, by the stockholders of CIGNA

Corporation in substantially the same proportions as their ownership of stock of CIGNA Corporation.

1.22 "**Plan**" − the CIGNA Deferred Compensation Plan of 2005 (Effective as of January 1, 2005), as it may be amended or restated.

1.23 "**Separation from Service**" − a Participant' s death, retirement or other termination of employment, from the Participant' s employer or service recipient within the meaning of Treasury Regulation Section 1.409A-1(h). For this purpose, the level of reasonably anticipated, permanently reduced, bona fide services that will be treated as a Separation from Service is 30%. Generally, a Participant' s Separation from Service occurs when the Participant' s level of services to CIGNA Corporation and its affiliates is reduced by 70% or more.

1.24 "**Stock Plan**" − a plan or program that provides for payment of compensation in the form of shares of CIGNA Stock.

1.25 "**Subsidiary**" − a corporation (or a partnership, joint venture or other unincorporated entity) of which more than 50% of the combined voting power of all classes of stock entitled to vote (or more than 50% of the capital, equity or profits interest) is owned directly or indirectly by CIGNA Corporation; provided that such corporation (or other entity) is included in CIGNA Corporation' s consolidated financial statements under generally accepted accounting principles.

1.26 "**Valuation Date**" − the last day of each month.

ARTICLE 2
Participation; Deferral Elections

2.1 **Eligibility.** The Plan is intended primarily to provide deferred compensation for a select group of management and highly compensated employees. The Corporate Committee shall determine which Company employees are eligible to participate in the Plan.

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2.2 **Participation.** An eligible employee becomes a Participant by making a Deferral Election described in Section 2.3.

2.3 **Deferral Election.**

(a) A Deferral Election specifies the amounts and items of compensation a Participant elects to defer under the Plan for a particular calendar year. The Administrator shall determine which items or categories of compensation may be deferred under the Plan. The Deferral Election must be timely (as described in Section 2.3(b)) and in a form permitted or required

by the Administrator. The Administrator may permit or require electronic forms. The Administrator shall determine whether a Deferral Election form is sufficiently complete and timely and may reject any form that is incomplete and/or untimely.

(b) To be timely, a Deferral Election must be received by the Administrator no later than:

(1) Six months before the end of the applicable performance period, for a deferral of Performance-based Compensation, provided that:

(A) the Participant performs services for the Company continuously from the later of:

(i) the beginning of the applicable performance period, or

(ii) the date the applicable performance criteria are established

through the date the Deferral Election is made, and

(B) the Deferral Election is made before the amount of the Performance-based Compensation is both first calculable and substantially certain to be paid;

(2) December 31 of the year before the year in which the Participant performs services in exchange for the compensation to be deferred, for compensation other than Performance-based Compensation; or

(3) The 30th calendar day after the date a Company employee first becomes eligible to participate in the Plan, provided such employee is not already eligible to participate in a plan that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c)(2), and further provided that such employee was not eligible to participate in the Plan, or any other plan that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c)(2), at any time during the 24-month period ending on the date such employee again became eligible to participate in the Plan. A Deferral Election by a newly eligible employee shall apply only to compensation for services the employee performs after the Administrator receives the Deferral Election.

However, the Administrator may establish different deadlines to the extent permitted by Code Section 409A and the regulations thereunder.

(c) An employee who makes a Deferral Election must also make a Payment Election (described in Section 4.3) applicable to such Deferral Election. If a Participant makes more than one Deferral Election in a year, the Administrator may require that the Payment Election applicable to the first Deferral Election shall apply to any later Deferral Election in that year. The Payment

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Election must be received by the Administrator by the Deferral Election deadline stated in Section 2.3(b). The Administrator shall determine when a

Deferral Election and Payment Election become irrevocable, but in no event shall a Deferral Election or a Payment Election become irrevocable later than the applicable deadline set forth in Section 2.3(b) above.

(d) The Administrator may require Participants to make new Deferral Elections for each new calendar year.

(e) Deferral Elections under this Plan shall apply only to compensation payable on or after January 1, 2005 and only to the extent such compensation is:

(1) For services performed for the Company on or after January 1, 2005; or

(2) Compensation for which a Deferral Election may otherwise be made under transition rules promulgated pursuant to Code Section 409A.

2.4 Cancellation of Deferral Elections. The Plan Administrator may cancel the Deferral Election of a Participant who incurs a disability. Any cancellation under this section must occur by the later of the end of the calendar year in which the Participant incurs the disability or the 15th day of the third month after the date the Participant incurs the disability. For purposes of this section, “disability” shall have the meaning set forth in Treasury Regulation Section 1.409A-3(j)(4)(xii).

ARTICLE 3
Deferred Compensation Account

3.1 **General.** The Administrator shall establish and maintain an Account for each Participant. The Administrator shall credit to the Account any compensation deferred by a Participant under the Plan. The Administrator shall also credit (or debit) to the Account any hypothetical income (or losses) on the deferred compensation. The credit for deferred compensation shall be effective as of the date the compensation would have otherwise been paid to the Participant. The credit (or debit) for hypothetical income (or losses) shall be as provided in Section 3.3 or 3.4, as applicable.

3.2 **Account Balance.** The balance of each Participant’ s Account shall include compensation deferred by the Participant under this Plan and hypothetical income (or losses). The Account balance shall be reduced by any payments under Article 4. The Administrator shall determine each Participant’ s Account balance as of each Valuation Date. The Administrator shall provide each Participant an Account statement at least annually.

3.3 **Hypothetical Investment of Deferred Cash.**

(a) Deferred Cash shall be treated as invested in one or more hypothetical investments described in Section 3.3(b). The Administrator shall credit (or debit) to the Participant’ s Account as of each Valuation Date hypothetical income (or losses) based on the performance of the applicable hypothetical investment. The credit (or debit) shall be applied against the balance of Participant’ s Account on the immediately preceding Valuation Date. The Administrator shall have authority to adopt, and from time to time change, rules and procedures for crediting (or debiting) hypothetical income (or losses) as to any amount of Deferred Cash that has been credited to a Participant’ s Account for less than the entire month ending on the Valuation Date.

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(b) The Corporate Committee shall determine at least one hypothetical investment for Deferred Cash and may provide some or all Plan Participants with options for more than one hypothetical investment. The Corporate Committee may add or eliminate hypothetical investments at any time, but any such action shall apply to the balance of a Participant' s Account no earlier than the Valuation Date immediately after the Corporate Committee changes hypothetical investments. The Administrator shall have authority to adopt rules and procedures by which a Participant with a choice of more than one hypothetical investment may change hypothetical investment elections, provided that a Participant shall not be able to make changes more than once each calendar quarter.

(c) If a Change of Control occurs, the annual income earned on at least one hypothetical fixed return guaranteed principal investment must be not less than 50 basis points over the Ten-year Constant Treasury Maturity Yield as reported by the Federal Reserve Board, based upon the November averages for the preceding year.

3.4 **Hypothetical Investment of Deferred CIGNA Stock.** Deferred CIGNA Stock shall be credited to Participant' s Account as a number of shares of hypothetical CIGNA Stock. The number shall initially be the same number of shares that would have been issued to the Participant but for the deferral. After the initial credit, the number shall be adjusted as appropriate to reflect stock dividends, splits and reclassifications in accordance with the terms of the applicable Stock Plan. Deferred CIGNA Stock may not be deemed invested in any other hypothetical investment. An amount equal to the dividends which would otherwise be paid on shares of Deferred CIGNA Stock shall be credited to the Participant' s Account as Deferred Cash, as of the applicable dividend payment date, and deemed invested under Section 3.3. The Administrator shall take necessary action to avoid deferral or issuance of fractional shares of CIGNA Stock.

ARTICLE 4

Payment of Deferred Compensation

4.1 **General.** The Company shall pay amounts credited to Participant' s Account balance according to the Participant' s Payment Elections or under the other applicable provisions of Article 4. Deferred CIGNA Stock shall be paid only in shares of CIGNA Stock issued under the applicable Stock Plan. The applicable Stock Plan is the plan under which the shares would have previously been issued but for the Participant' s deferral, or a successor plan.

4.2 **Payment Methods and Timing.**

(a) (1) Subject to the conditions in Section 4.2(b) through (f), the Administrator shall have the authority to determine the payment methods and timing permitted under the Plan; any such payment methods and timing shall comply with the requirements of Code Section 409A.

(2) Payment events under the Plan may include a Participant' s Separation from Service, a specified date before a Participant' s Separation from Service, a Participant' s unforeseeable emergency (as described in Section 4.4), the Participant' s death (as described in Section 4.5), or other payment events specified by the Administrator, to the extent permitted by Code Section 409A. A payment upon a Participant' s unforeseeable emergency or death shall supersede any elected specified date or Separation from Service payment for the amount distributed by reason of unforeseeable emergency or death.

(3) Payment methods under the Plan may include lump sum and periodic payments.

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(b) A Participant who makes a specified date Payment Election must also make a Separation from Service Payment Election that will apply instead of the specified date Payment Election if the Participant has a Separation from Service before the elected specified date of payment.

(c) If the payments are to begin as a result of a Participant' s Separation from Service then, subject to the other provisions of Article 4, payment shall be made (or begin) in July of the year following the year of the Participant' s Separation from Service.

(d) If a payment method provides for periodic payments, payments shall be made annually each July, over the elected period not to exceed 15 years. The balance of a Participant' s Account shall be paid, in all events, no later than July 31st of the 15th year after the year of the Participant' s Separation from Service.

(e) To the extent there is not in effect at Participant' s Separation from Service a valid Payment Election for an amount, that amount shall be paid in a single lump sum in July of the year

following the year of the Participant' s Separation from Service.

(f) Periodic payments under this Plan shall not be suspended if the Participant is rehired by the Company.

4.3 **Payment Election.**

(a) Subject to Section 4.2, a Payment Election must specify the payment method that shall apply to Participant' s deferred compensation and either the time of payment or the time payments are to begin.

(b) A Payment Election must be in a form permitted or required by the Administrator. The Administrator may permit or require electronic forms. The Administrator shall determine whether a Payment Election form is sufficiently complete and timely and may reject any form that is incomplete and/or untimely.

(c) A Participant may make separate Payment Elections for Deferred Cash and Deferred CIGNA Stock.

4.4 **Unforeseeable Emergency Payment.**

(a) If the Administrator, after considering a Participant' s written request, determines that the Participant has an unforeseeable emergency, as defined under Treasury Regulation Section 1.409A-3(i)(3), that is beyond the Participant' s control and of such a substantial nature that immediate payment of Deferred Cash or issuance of Deferred CIGNA Stock is warranted, the Administrator in its sole and absolute discretion may direct that all or a portion of the Participant' s Account be paid to the Participant. The amount of the payment shall be limited to the amount deemed necessary by the Administrator to satisfy the emergency need. The payment shall be made in a single lump sum within 90 days following the Administrator' s approval of Participant' s written request for an unforeseeable emergency payment.

(b) The Administrator shall cancel the Deferral Election of a Participant who receives a payment under Section 4.4(a) or a payment for an unforeseeable emergency, as defined under Treasury Regulation Section 1.409A-3(i)(3), under a predecessor to this Plan. The cancellation shall be effective as of the date of the payment. To resume deferrals, the Participant must make a new Deferral Election in accordance with the requirements of Section 2.3.

4.5 **Payments of a Deceased Participant' s Account.**

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(a) Upon the death of a Participant the Administrator shall pay any remaining portion of Participant' s Account in a single lump sum payment to Participant' s Beneficiary. The

Administrator may establish rules and procedures for designation of beneficiaries and shall make determinations regarding the existence and identity of beneficiaries and the validity of beneficiary designations. A Participant may designate more than one beneficiary.

(b) Notwithstanding Section 4.5(a), the Administrator shall pay Participant' s Account in a single lump sum payment to the Participant' s estate if:

(1) The Participant dies without having a valid beneficiary designation in effect;

(2) The Participant' s designated Beneficiary died before the Participant died; or

(3) The Participant' s designated Beneficiary cannot be found after what the Administrator determines has been a reasonably diligent search.

(c) The Administrator shall make any payments described in Section 4.5(a) and (b) during the 90 day period beginning January 1 of the year following the year the Participant dies.

ARTICLE 5
General Provisions

5.1 **Participant' s Rights Unsecured.** The right of a Participant (or Beneficiary) to receive payments under the Plan represents an unsecured claim against the general assets of the Company that employs the Participant at the time that the compensation deferred otherwise would have been paid, or against the general assets of any successor company that assumes (or in case Participant transfers to employment with a different Company, is assigned) the liabilities of that Company. No Company guarantees or is liable for payments to any Participant employed by any other Company. Participant' s Account represents a mere promise by a Company to make payments in the future. The Plan at all times shall be considered entirely unfunded for both tax purposes and for purposes of Title I of ERISA.

5.2 **Assignability.** Except as otherwise permitted by applicable law, no right to receive Plan payments shall be transferable or assignable by a Participant or Beneficiary or subject in any manner to anticipation, sale, alienation, pledge, encumbrance, attachment or garnishment by creditors of a Participant or Beneficiary, any such attempt shall be void and of no force or effect.

5.3 **Administration.** CIGNA Corporation' s Chief Executive Officer shall appoint the Administrator. Except as otherwise provided by the Plan, the Administrator shall administer the Plan and shall have authority to adopt administrative rules and regulations. The Administrator may, by contract, designation or other arrangement, provide for others to perform ministerial duties and record keeping. If the Administrator is also a Participant, the Corporate Committee (and not the Administrator) shall take any action under the Plan related to that Participant.

5.4 **Administrative Discretion.** The Administrator and Corporate Committee shall, as to the responsibilities allocated to them separately under the Plan, have the sole and absolute discretion to interpret, construe and implement the provisions of the Plan,

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including any disputed or ambiguous terms; to make determinations relating to eligibility and benefits; and to make findings of fact. Their determinations shall be final and binding on all parties.

5.5 **Amendment.** The Plan may be amended, restated, modified, or terminated by the Board of Directors or the Board Committee. No amendment, restatement, modification, or termination shall reduce, impair or adversely affect the balance of a Participant' s Account as of the Valuation Date immediately preceding such action.

5.6 **Tax Withholding.** To the extent required by the law in effect at the time a Plan payment is made, the Administrator shall take appropriate action to withhold taxes from the payment.

5.7 **Corporate Reorganization.** If a company that employs a Participant ceases to be a Subsidiary and retains liabilities and responsibility for a Participant' s Account, then the Corporate Committee and Administrator shall have no further liability or responsibility for that Account or any legal obligation toward Participant after the company ceases to be a Subsidiary. That company shall designate a governing committee and plan administrator, as appropriate, to assume liability and responsibility for administration of the Account as of the date the company ceases to be a Subsidiary.

5.8 **Section 409A Compliance**. It is intended that the Plan comply with the requirements of Code Section 409A, and the Plan shall be so administered and interpreted. Notwithstanding anything in this Plan to the contrary, the Code Section 409A transition relief opportunities adopted by Board Committee Resolutions dated December 8, 2005 are incorporated by reference into this Plan.

5.9 Interpretation. All statutory or regulatory references in this Plan shall include successor provisions.

5.10 Claims Procedure.

(a) Filing a Claim for Benefits. This paragraph 5.10(a) shall apply to any claim for a benefit under the Plan. A Participant or Beneficiary or an authorized representative of a Participant or Beneficiary ("Claimant") shall notify the Administrator or its delegate of a claim for benefits under the Plan. Such request may be in any form adequate to give reasonable notice to the Administrator or its delegate and shall set forth the basis of such claim and shall authorize the Administrator or its delegate to conduct such examinations as may be necessary to determine the validity of the claim and to take such steps as may be necessary to facilitate the payment of any benefits to which the Claimant may be entitled under the Plan. The Administrator shall make all determinations as to the right of any person to a benefit under the Plan.

If the Administrator requires more than 90 days to process a claim because of special circumstances, an extension may be obtained by notifying the Claimant within 90 days of the date the claim was submitted that a decision on the claim will be delayed, what circumstances have caused the delay, and when a decision can be expected. The extension period shall not exceed an additional 90 days; provided, however, that in the event the Claimant fails to submit information necessary to decide a claim, such period shall be tolled from the date on which the extension notice is sent to the Claimant until the date on which the Claimant responds to the request for additional information.

(b) Denial of Claim. If the Administrator denies in whole or in part any claim for benefits under the Plan by any Claimant, the Administrator shall, within a reasonable period, furnish the Claimant with written or electronic notice of the denial. The notice of the denial shall set forth, in a manner calculated to be understood by the Claimant:

(1) The specific reason or reasons for the denial;

(2) Specific reference to the pertinent Plan provisions on which the denial is based;

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(3) A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary; and

(4) A description of the Plan' s review procedures and the time limits applicable to such procedures, including a statement of the Claimant' s right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

(c) Appeals Procedure. This paragraph 5.10(c) shall apply to all appeals of denied claims under the Plan. A Claimant may request a review of a denied claim. Such request shall be made in writing and shall be presented to the Administrator not more than sixty (60) days after receipt by the Claimant of written or electronic notice of the denial of the claim. The Claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant' s claim for benefits. The Claimant shall also have the opportunity to submit comments, documents, records, and other information relating to the claim for benefits, and the Administrator shall take into account all such information submitted without regard to whether such information was submitted or considered in the initial benefit determination. The Administrator shall make its decision on review not later than sixty (60) days after receipt of the Claimant' s request for review, unless special circumstances require an extension of time, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review; provided, however, in the event the Claimant fails to submit information necessary to make a benefit determination on review, such period shall be tolled from the date on which the extension notice is sent to the Claimant until the date on which the Claimant responds to the request for additional

information. The decision on review shall be written or electronic and, in the case of an adverse determination, shall include specific reasons for the decision, in a manner calculated to be understood by the Claimant, and specific references to the pertinent Plan provisions on which the decision is based. The decision on review shall also include (i) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, or other information relevant to the Claimant' s claim for benefits; and (ii) a statement describing any voluntary appeal procedures offered by the Plan, and a statement of the Claimant' s right to bring an action under ERISA Section 502(a).

(d) The Plan' s claims procedure shall be administered in accordance with the applicable regulations of the U.S. Department of Labor.

(e) A Claimant shall have no right to bring any action in any court regarding a claim for benefits under the Plan prior to the Claimant filing a claim for benefits and exhausting the Claimant' s rights to review under this Section 5.10 in accordance with the time frames set forth herein.

5.11 Controlling Law. This Plan shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, without regard to Pennsylvania conflict of laws rules, to the extent not preempted by federal law, which shall otherwise control.

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Exhibit 10.28

David M. Cordani
President and CEO

November 18, 2011

Routing W2SLT
900 Cottage Grove Road
Hartford, CT 06152
Telephone 860.226.7482
Facsimile 860.226.3099
david.cordani@Cigna.com

Matthew G. Manders

Dear Matt:

Congratulations on your promotion with Cigna effective November 16, 2011. I am delighted to confirm your new compensation package as you assume the position of President Regional and Operations.

- **Base Salary** − will increase to a pre-tax annualized rate of **$575,000** effective November 21, 2011**.** This amount will be reviewed annually based on your performance and pay position relative to the competitive market.

- **Annual Incentive** − your annual target will become **$475,000** for the 2011 performance year. As you are aware, annual incentive is typically paid in the first quarter of the year following the performance period and is not considered earned until the date paid.

- **Long-Term Incentive** − your annual long-term opportunity will become **$1,500,000** and will continue to consist of the following two components:

  - Stock Options − grants are typically awarded in the first quarter each year and may vary from 0 to 200% of target based on individual performance and potential. Options typically vest over a 3 year period and expire no later than 10 years after grant. The estimated 2012 annual target is **$750,000**.

  - Strategic Performance Shares (SPS) − grants are typically awarded in the first quarter of each year and may vary from 0 to 200% of target based on individual performance. SPS awards are typically paid or vested three years after the beginning of the performance period. Awards are not considered earned until the date paid or vested. The estimated 2012 annual target is **$750,000**.

  Stock Ownership Guidelines − To align management and shareholder interests Cigna executives are subject to stock ownership guidelines. Your stock ownership guideline for this position will continue to be 300% of your base salary.

NEW TOTAL ANNUAL COMPENSATION OPPORTUNITY: **$2,550,000**

Also, contingent upon Board Committee approval, the following long-term incentive awards with an estimated present value of **$202,245** will be awarded to you:

- $7,800 transitional SPU award paid in 2012 (104 units paid at formula with $75 target value per unit)

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- a transitional SPS award with a grant date value $68,056; shares earned (paid) in 2013 per the plan' s formula
- a transitional SPS award with a grant date value $126,389; shares earned (paid) in 2014 per the plan' s formula

---

The changes above have no impact on previously awarded bonuses, stock options, SPU or SPS grants. The compensation program elements – annual incentive, stock options and strategic performance shares are those of our current program and may be subject to modification or enhancement by the Board of Directors. As an executive of the company, your compensation will be subject to any future program changes.

Matt, I look forward to continuing to partner with you.

Sincerely,

/s/ David M. Cordani
David M. Cordani

DMC/del

cc: K. Gorodetzer
J. Murabito

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Exhibit 10.29

EXECUTION COPY

MASTER TRANSACTION AGREEMENT

by and among

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA,

and

NATIONAL INDEMNITY COMPANY
(solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII)

Dated as of February 4, 2013

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Exhibit B Form of Trust Agreement
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Schedule 6.7(c)	Date of In-Force Updates

MASTER TRANSACTION AGREEMENT

THIS MASTER TRANSACTION AGREEMENT, dated as of February 4, 2013 (this "**Agreement**"), has been made and entered into by and among **Connecticut General Life Insurance Company**, a Connecticut life insurance company ("**CGLIC**"), **Berkshire Hathaway Life Insurance Company of Nebraska**, a Nebraska life insurance company ("**Berkshire Life**"), and **National Indemnity Company**, a Nebraska property and casualty insurance company ("**NICO**"), solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII.

WITNESSETH:

WHEREAS, upon the terms and subject to the conditions of this Agreement and the Ancillary Agreements (all capitalized terms used in these recitals and not otherwise defined having the respective meanings assigned to them in Section 1.1), CGLIC and Berkshire Life desire to enter into a reinsurance transaction, pursuant to which CGLIC will cede the Covered Liabilities to Berkshire Life, and pursuant to which Berkshire Life will reinsure CGLIC for such liabilities;

WHEREAS, simultaneously with their entry into this Agreement on the date hereof: (i) CGLIC and Berkshire Life will enter into the Retrocession Agreement pursuant to which CGLIC will cede to Berkshire Life, and Berkshire Life will assume, the Covered Liabilities, (ii) NICO shall issue to CGLIC the NICO Surety Policy pursuant to which NICO will assume certain obligations including guaranteeing to CGLIC the payment of all obligations of Berkshire Life under the Retrocession Agreement, (iii) CGLIC and Berkshire Life will enter into the ALC Model Purchase Option Agreement pursuant to which CGLIC will grant to Berkshire Life an option to purchase CGLIC' s intellectual property rights in the ALC Model at any time in Berkshire Life' s sole discretion starting on the third anniversary of the date hereof and (iv) CGLIC and Berkshire Life, or their respective Affiliates, will execute and deliver such other agreements, instruments and documents as are described herein; and

WHEREAS, as soon as practical after the date hereof, (i) CGLIC, Berkshire Life, NICO and the Trustee will enter into the Trust Agreement in the form attached hereto with such changes as may be required by the Trustee, pursuant to which Berkshire Life and NICO will establish a grantor trust for the benefit of CGLIC to secure Berkshire Life' s obligations under the Retrocession Agreement and NICO' s obligation under the NICO Surety Policy, and (ii) CGLIC, Berkshire Life, NICO and the Trustee, as securities intermediary, will enter into the Security and Control Agreement in the form attached hereto with such changes as may be required by the Trustee, pursuant to which Berkshire Life and NICO will grant to CGLIC a security interest in and continuing lien on, among other things, all of Berkshire Life' s and NICO' s right, title and interest in the Trust Account or any replacement or successor thereof or substitution therefor.

NOW, THEREFORE, in consideration of the foregoing, the representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, and intending

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to be legally bound hereby, CGLIC, Berkshire Life and NICO (each individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions.

The following terms shall have the respective meanings set forth below throughout this Agreement:

"**A.M. Best**" means A.M. Best Company, Inc.

"**Affiliate**" means, with respect to any Person, another Person that, directly or indirectly, controls, is controlled by, or is under common control with, such first Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the Preamble.

"**ALC Dispute Notice**" has the meaning set forth in the Retrocession Agreement.

"**ALC Model**" has the meaning set forth in Section 6.7(a).

"**ALC Model Adjustment Amount**" has the meaning set forth in Retrocession Agreement.

"**ALC Model and Census Values Escrow Protocol**" has the meaning set forth in Section 6.7(b).

"**ALC Model Exclusions**" has the meaning set forth in Section 3.8(b).

"**ALC Model Purchase Option Agreement**" means the purchase option agreement by and between CGLIC and Berkshire Life, attached as Exhibit A hereto.

"**ALC Model Representations**" means the representations and warranties of CGLIC set forth in Section 3.8(a), made subject to, and qualified in their entirety by, the ALC Model Exclusions.

"**Ancillary Agreements**" means each of the agreements attached hereto as Exhibits A through E and each of the agreements, exhibits, annexes, schedules and other attachments thereto; provided, however, that for purposes of Section 7.7, the NICO Surety Policy shall not be deemed to be an Ancillary Agreement for all purposes under such Section.

"**Applicable Law**" means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by any Governmental Authority or any Tax Authority pursuant to any of the foregoing, in each case applicable to any Party, and any Order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

"**Berkshire Indemnitees**" has the meaning set forth in Section 7.1.

"**Berkshire Life**" has the meaning set forth in the Preamble.

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"**Berkshire Life Permits**" has the meaning set forth in Section 4.5.

"**Books and Records**" means originals or copies of all records and all other data and information (in whatever form maintained) in the possession or control of a Party or its Affiliates and relating to the Business Covered, including (i) administrative records, (ii) claim records, (iii) policy files, (iv) sales records, (v) files and records relating to Applicable Law, (vi) reinsurance records, (vii) underwriting records, (viii) accounting records and (ix) for all taxable periods ending after December 31, 2003 and solely with respect to the Covered Contracts, Tax records and all other data and information with respect to Tax disputes (subject to proper safeguards and exclusions reasonably agreed by the Parties), but excluding (a) Tax Returns, (b) files, records, data and information with respect to employees, (c) records, data and information with respect to any employee benefit plan, (d) any files, records, data and information not reasonably related to the Business Covered, (e) any materials prepared for the boards of directors of Berkshire Life, CGLIC or their Affiliates and (f) any materials that are privileged and/or confidential for which CGLIC or its Affiliates do not have a common interest agreement with Berkshire Life; provided, that if any such records or data referred to in the foregoing clauses (i) through (viii) contain information which does not relate to the Business Covered, such information shall not constitute "Books and Records" for purposes of this Agreement.

"**Business Covered**" means the life reinsurance business of CGLIC relating to the Covered Contracts.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which commercial banks in Connecticut or Nebraska are required or authorized by law to be closed.

"**Calculation Date**" means December 31, 2012.

"**Census Values**" means, with respect to any VA Contract, the following information: (i) the identity, gender and date of birth of each insured under the VA Contract; (ii) the effective date of the VA Contract; (iii) the current asset value of the VA Contract; (iv) the current surrender value of the VA Contract, where applicable; and (v) the current guaranteed minimum death benefit and, if applicable, current guaranteed minimum income benefit base provided under the VA Contract.

"**CGLIC**" has the meaning set forth in the Preamble.

"**CGLIC Indemnitees**" has the meaning set forth in Section 7.2.

"**CGLIC Permits**" has the meaning set forth in Section 3.5.

"**Claim**" has the meaning set forth in Section 7.4(a).

"**Claims Notice**" has the meaning set forth in Section 7.4(a).

"**Confidential Information**" has the meaning set forth in Section 6.5(c).

"**Covered Contracts**" means the reinsurance contracts listed on Schedule 1.1(a).

"**Covered Liabilities**" has the meaning set forth in the Retrocession Agreement.

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"**Disclosing Party**" has the meaning set forth in Section 6.5(a).

"**Effective Time**" means 12:01 a.m. New York time, on February 4, 2013.

"**Encumbrance**" means any pledge, security interest, mortgage, lien, attachment, right of first refusal, or option, including any restriction on receipt of income or exercise of any other attribute of ownership, except such restrictions as may be contained in any insurance Applicable Law.

"**Enforceability Exceptions**" has the meaning set forth in Section 3.2(a).

"**Excluded Liabilities**" shall have the meaning set forth in the Retrocession Agreement.

"**GAAP**" means with respect to any entity and any financial statements, United States generally accepted accounting principles, consistently applied by such entity, as in effect at the date of such financial statements.

"**Governmental Authority**" means any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous, other than any Tax Authority.

"**Indemnified Party**" has the meaning set forth in Section 7.4(a).

"**Indemnifying Party**" has the meaning set forth in Section 7.4(a).

"**Indemnity Cap**" has the meaning set forth in Section 7.5(c).

"**Indemnity Threshold**" has the meaning set forth in Section 7.5(c).

"**Iron Mountain**" means Iron Mountain Incorporated, a Delaware corporation.

"**Knowledge of Berkshire Life**" means the actual knowledge of Donald Wurster and Dale Gesitkemper.

"**Knowledge of CGLIC**" means the actual knowledge of Katherine Wade, Scott Schneider and Mark Parsons.

"**Knowledge of NICO**" means the actual knowledge of Donald Wurster and Dale Gesitkemper.

"**Loss**" means any damages, claims, losses, liabilities, charges, actions, suits, proceedings, deficiencies, Taxes, fees, assessments, interest, penalties, reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses), and including any of the foregoing relating to enforcement of any Person's rights to indemnity under this Agreement.

"**Moody's**" means Moody's Investors Service, Inc.

"**NICO**" has the meaning set forth in the Preamble.

"**NICO Permits**" has the meaning set forth in Section 5.5.

"**NICO Surety Policy**" means the surety policy delivered by NICO to CGLIC, attached as Exhibit C hereto.

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"**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Party**" or "**Parties**" has the meaning set forth in the Recitals.

"**Permit**" means any license, permit, order, approval, consent, registration, membership, authorization or qualification under any Applicable Law or with any Governmental Authority or under any industry or non-governmental self-regulatory organization.

"**Person**" means any natural person, corporation, partnership, limited liability company, trust, joint venture or other entity, including a Governmental Authority.

"**Receiving Party**" has the meaning set forth in Section 6.5(a).

"**Representatives**" means, with respect to any Person, such Person' s officers, directors, employees, managing directors, agents, advisors and other representatives.

"**Reserves**" means, as required by SAP, reserves (including any gross, net and ceded reserves, but excluding tax reserves), funds or provisions for losses, claims, unearned premiums, benefits, costs and expenses in respect of the Business Covered.

"**Retrocession Agreement**" means the reinsurance agreement by and between CGLIC and Berkshire Life, attached as Exhibit D hereto.

"**S&P**" means Standard & Poor' s Ratings Services, a Standard & Poor' s Financial Services LLC business.

"**SAP**" means the statutory accounting principles prescribed or permitted by the Commissioner of Insurance of the State of Connecticut.

"**Security and Control Agreement**" means the security and control agreement by and among CGLIC, Berkshire Life, NICO and the Trustee, as securities intermediary, in the form attached as Exhibit E hereto with such changes as may be required by the Trustee.

"**Specified Assumptions**" means the actuarial and capital market assumptions attached hereto as Schedule 1.1(b).

"**Specified Scenario Results**" means the expected claims and premiums associated with the Covered Contracts, net of amounts payable under the Third Party Retrocessional Agreements, as calculated by the ALC Model as of the Calculation Date, using the Census Values and applying the Specified Assumptions, such expected claims and premiums being attached hereto as Schedule 1.1(c).

"**Subsidiary**" means, when used with respect to any Party, any corporation, limited liability company, partnership, association, trust or other entity of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power (or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests) are, as of such date, owned by such Party or one or more Subsidiaries of such Party or by such Party and one or more Subsidiaries of such Party.

"**Tax Authority**" means, with respect to any Tax, any government or political subdivision thereof that imposes such Tax, and any agency charged with the collection, assessment, determination or administration of such Tax for such government or subdivision.

"**Tax**" means any and all federal, state, foreign or local income, gross receipts, premium, capital stock, franchise, guaranty fund assessment, retaliatory, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, fee, duty, levy, custom, tariff,

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impost, assessment, obligation or charge of the same or of a similar nature to any of the foregoing, including any interest, penalty or addition thereto.

"**Tax Return**" means any return, report, declaration, claim for refund, certificate, bill, or other return or statement, including any schedule or attachment thereto, and any amendment thereof, filed or required to be filed with any Tax Authority in connection with the determination, assessment or collection of any Tax.

"**Third Party Claim**" has the meaning set forth in Section 7.4(b).

"**Third Party Retrocessional Agreements**" means the retrocessional contracts listed on Schedule 1.1(d) between CGLIC and retrocessionaires (other than Berkshire Life) whereby CGLIC has, prior to the Effective Time, ceded reinsurance on the Covered Liabilities, without regard to any amendment, recapture or termination of any such contracts on or after the Effective Time.

"**Third Party Retrocession Recoverables**" means all amounts payable by retrocessionaires under the Third Party Retrocessional Agreements.

"**Trust Account**" means the trust account established pursuant to the Trust Agreement.

"**Trust Agreement**" means the trust agreement by and among CGLIC, Berkshire Life, NICO and the Trustee, in the form attached as Exhibit B hereto with such changes as may be required by the Trustee.

"**Trustee**" means the trustee named in the Trust Agreement and any successor trustee appointed as such pursuant to the terms of such Trust Agreement.

"**VA Contracts**" means the variable annuity contracts and their related riders reinsured under the Covered Contracts.

ARTICLE II

AGREEMENTS OF THE PARTIES

2.1 Agreements of the Parties.

(a) Simultaneously with their entry into this Agreement on the date hereof, CGLIC and Berkshire Life shall have executed and delivered to each other the Retrocession Agreement which shall be effective as of the Effective Time.

(b) As soon as practical after the date hereof, CGLIC, Berkshire Life and NICO shall (i) execute and deliver to each other the Trust Agreement in the form attached hereto with such changes as may be required by the Trustee, and (ii) arrange for the Trustee to execute and deliver the Trust Agreement.

(c) As soon as practical after the date hereof, CGLIC, Berkshire Life and NICO shall (i) execute and deliver to each other the Security and Control Agreement in the form attached hereto with such changes as may be required by the Trustee, and (ii) arrange for the Trustee, as securities intermediary, to execute and deliver the Security and Control Agreement.

(d) Simultaneously with its entry into this Agreement on the date hereof, NICO shall have executed and delivered to CGLIC the NICO Surety Policy which shall be effective as of the date hereof.

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(e) Simultaneously with their entry into this Agreement on the date hereof, CGLIC and Berkshire Life shall have executed and delivered to each other the ALC Model Purchase Option Agreement which shall be effective as of the Effective Time.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF CGLIC

CGLIC hereby represents and warrants to Berkshire Life that as of the date hereof:

3.1 Organization and Good Standing.

CGLIC (i) is duly incorporated and validly existing as a corporation or other legal entity under the laws of its jurisdiction of incorporation or domicile; (ii) has full corporate power and authority to carry on the Business Covered as it is now being conducted and to own, lease and operate its properties and assets to the extent relating to the Business Covered; and (iii) is duly qualified to do business as a foreign or alien corporation, as the case may be, in good standing in each jurisdiction in which the conduct of the Business Covered or the ownership, leasing or operation of its properties or assets relating to the Business Covered makes such qualification necessary, except where the failure to so qualify, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

3.2 Authority; Enforceability; Non-Contravention.

(a) CGLIC has full corporate power and authority to execute and to deliver this Agreement, and to consummate the transactions contemplated herein. CGLIC has taken all necessary corporate action to authorize the execution and performance of this Agreement. This Agreement has been duly executed and delivered by CGLIC and, assuming due authorization, execution, and delivery of this Agreement by Berkshire Life, is the valid and binding obligation of CGLIC, enforceable against CGLIC in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, and other similar laws in effect relating to or affecting the enforcement of the rights and remedies of creditors of insurance companies or the enforcement of creditors' rights generally and general principles of equity, whether considered in a proceeding at law or in equity (the "**Enforceability Exceptions**").

(b) The execution, delivery and performance of this Agreement by CGLIC will not, with or without the giving of notice or passage of time or both, (i) violate or result in a default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of CGLIC, or (B) any Applicable Law or any CGLIC Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

(c) CGLIC has full corporate power and authority to execute and to deliver the Ancillary Agreements, and to consummate the transactions contemplated therein. CGLIC has taken all necessary corporate action to authorize the execution and performance of such Ancillary Agreements. The Ancillary Agreements, if and when executed by CGLIC pursuant to the terms and conditions of this Agreement, will be duly executed and delivered by CGLIC and, assuming due authorization, execution, and delivery of the Ancillary Agreements by the other parties thereto, will be the valid and binding obligation of CGLIC, enforceable against CGLIC in accordance with their terms, subject to the Enforceability Exceptions.

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(d) The execution, delivery and performance of any Ancillary Agreement by CGLIC will not, with or without the giving of notice or passage of time or both, (i) violate or result in a default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of CGLIC, or (B) any Applicable Law or any CGLIC Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

3.3 Consents and Approvals.

No consents or approvals of, or filing with, any Governmental Authority, is required to be made or obtained by CGLIC or its Affiliates in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been made or obtained.

In addition, no consent or approval from any other third party is required to be obtained by CGLIC in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been obtained.

3.4 Orders.

There are no material outstanding Orders relating to the Business Covered against or involving CGLIC by or before any Governmental Authority. CGLIC has not received written notice from any Governmental Authority that it is currently intending to issue any such Order.

3.5 Permits.

CGLIC holds (a) all material Permits from all Governmental Authorities responsible for regulating insurance or reinsurance companies that are necessary for the current operation and conduct of its business and to own or use its assets and properties, as such assets and properties are owned and used on the date hereof in each of the jurisdictions in which such business is operated and conducted, in each case, in connection with the Business Covered, and (b) except as otherwise would not have a material adverse effect, all other material Permits from all Governmental Authorities other than those responsible for regulating insurance or reinsurance companies that are necessary for the current operation and conduct of its business and to own or use its assets and properties, as such assets and properties are owned and used on the date hereof in each of the jurisdictions in which such business is operated and conducted, in each case, in connection with the Business Covered (collectively, the "**CGLIC Permits**"). All CGLIC Permits are valid and in full force and effect in accordance with their terms. There is no proceeding pending or, to the Knowledge of CGLIC, threatened, to revoke, cancel, suspend, terminate, limit, restrict, impair or modify any CGLIC Permit, nor has CGLIC received any written notice from any Governmental Authority of the failure to have any CGLIC Permit required by Applicable Law or alleging that CGLIC is not in material compliance with any CGLIC Permit.

3.6 Certain Proceedings.

There is no pending or, to the Knowledge of CGLIC, threatened, action against CGLIC or its Affiliates in or with any Governmental Authority that challenges or may reasonably be expected to have the effect of preventing or delaying or making unlawful the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

3.7 Brokers or Finders.

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Except for Merrill, Lynch, Pierce, Fenner & Smith Incorporated, whose fees will be the sole responsibility of CGLIC, no broker or finder has acted directly or indirectly for CGLIC, nor has CGLIC incurred any obligation or liability for brokerage or finders' fees or agents' commissions or other similar payments, in connection with this Agreement or the Ancillary Agreements and the transactions contemplated hereby or thereby.

3.8 ALC Model Representations.

(a) Subject to and qualified in their entirety by the ALC Model Exclusions:

(i) The Specified Scenario Results are based upon a true, accurate and complete list of the VA Contracts as of the Calculation Date.

(ii) There are no material inaccuracies or omissions in the Census Values that have been entered into the ALC Model with respect to the VA Contracts as of the Calculation Date.

(iii) The ALC Model accurately reflects in all material respects the terms of the VA Contracts and the Covered Contracts to the extent such terms relate to the financial obligations of the parties to the Covered Contracts as of the Calculation Date.

(iv) There are no material inaccuracies or omissions in the coding, compilation or aggregation of any data or information entered into the ALC Model that are relevant to the calculation of the Specified Scenario Results.

(v) The copies of the ALC Model and the Census Values which shall be delivered after the date hereof to Iron Mountain in accordance with the ALC Model and Census Values Escrow Protocol shall be identical to the copies of the ALC Model and the Census Values which were used to produce the Specified Scenario Results.

(b) Notwithstanding any provision of this Agreement or any Ancillary Agreement, CGLIC makes no representations or warranties with respect to the following (collectively, the "**ALC Model Exclusions**"):

(i) the reasonableness, adequacy or appropriateness of the Specified Assumptions;

(ii) items set forth on Schedule 3.8(b); or

(iii) any inaccuracies or omissions in the factual data inputs utilized in the ALC Model resulting from any errors or omissions in any information provided by (A) the holders of, or annuitants under, the VA Contracts, (B) the underlying cedents of the Covered Contracts or (C) any other person who is not an Affiliate or employee of CGLIC, except to the extent that CGLIC has Knowledge of such inaccuracies or omissions.

The Parties acknowledge and agree that the effect of any ALC Model Exclusion will not be considered in determining whether any ALC Model Representation was inaccurate when made or in calculating the ALC Model Adjustment Amount.

3.9 Covered Contracts.

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(a) Each Covered Contract is in full force and effect and is valid and enforceable in accordance with its terms, subject to the Enforceability Exceptions. CGLIC has not received any notice of (i) the initiation of arbitration or any other dispute resolution proceeding or of an intent to so initiate any such proceeding with regards to any Covered Contract or (ii) a cancellation or non-renewal of or an intent to cancel or not renew any Covered Contract and, to the Knowledge of CGLIC, in the case of both (i) and (ii), there are no facts or circumstances that would reasonably be likely to give rise to the delivery of any such notice.

(b) CGLIC has made available to Berkshire Life prior to the date hereof true and complete copies of each Covered Contract.

3.10 No Other Representations or Warranties.

Notwithstanding anything contained in this Agreement or any Ancillary Agreements to the contrary, (a) neither CGLIC nor any Person on behalf of CGLIC is making any representations or warranties whatsoever, express or implied, beyond those expressly made by CGLIC in ARTICLE III hereof, and (b) Berkshire Life, NICO, their respective Affiliates have not been induced by, or relied upon, any representations, warranties or statements (written or oral), whether express or implied, made by any Person, that are not expressly set forth in this ARTICLE III. Without limiting the generality of the foregoing, each of Berkshire Life and NICO acknowledges, understands and agrees that no representations or warranties are made with respect to (i) any projections, forecasts, estimates, budgets, tax reserves or claim information that may have been made available to Berkshire Life, NICO, their respective Affiliates or any of their respective Representatives; (ii) the adequacy or sufficiency of Reserves; (iii) the effect of the adequacy or sufficiency of Reserves on any line item, asset, liability or equity amount on any financial or other document, whether such line item, asset, liability or equity amount is computed with respect to SAP or GAAP, as appropriate; (iv) whether or not Reserves or tax reserves were determined in accordance with any actuarial, statutory, regulatory or other standard; (v) the accuracy or adequacy of experience data or assumptions; or (vi) any other information or documents made available to Berkshire Life, NICO or any of their Affiliates or Representatives, except as expressly covered by a representation or warranty contained in this ARTICLE III.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BERKSHIRE LIFE

Berkshire Life hereby represents and warrants to CGLIC that as of the date hereof:

4.1 Organization and Good Standing.

Berkshire Life is duly incorporated and validly existing as a corporation or other legal entity under the laws of its jurisdiction of incorporation or domicile. Berkshire Life has full corporate power and authority to conduct its business as it is now being conducted.

4.2 Authority; Enforceability; Non-Contravention.

(a) Berkshire Life has full corporate power and authority to execute and to deliver this Agreement, and to consummate the transactions contemplated herein. Berkshire Life has taken all necessary corporate action to authorize its execution and performance of this Agreement. This Agreement has been duly executed and delivered by Berkshire Life and, assuming due authorization, execution, and delivery of this Agreement by CGLIC, is the valid and binding obligation of Berkshire Life, enforceable against Berkshire Life in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

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(b) The execution, delivery and performance of this Agreement by Berkshire Life will not, with or without the giving of notice or passage of time or both, (i) violate or result in a default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of Berkshire Life, or (B) any Applicable Law or any Berkshire Life Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

(c) Berkshire Life has full corporate power and authority to execute and to deliver the Ancillary Agreements to which it is a party, and to consummate the transactions contemplated therein. Berkshire Life has taken all necessary corporate action to authorize the execution and performance of such Ancillary Agreements. The Ancillary Agreements, if and when executed by Berkshire Life pursuant to the terms and conditions of this Agreement, will be duly executed and delivered by Berkshire Life and, assuming due authorization, execution, and delivery of the Ancillary Agreements by the other parties thereto, will be the valid and binding obligation of Berkshire Life, enforceable against Berkshire Life in accordance with their terms, subject to the Enforceability Exceptions.

(d) The execution, delivery and performance of any Ancillary Agreement by Berkshire Life will not, with or without the giving of notice or passage of time or both, (i) violate or result in a default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of Berkshire Life, or (B) any Applicable Law or any Berkshire Life Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

4.3 Consents and Approvals.

No consents or approvals of, or filing with, any Governmental Authority, is required to be made or obtained by Berkshire Life or any of its Affiliates in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been made or obtained. In addition, no consent or approval from any other third party is required to be obtained by Berkshire Life in connection with the execution, delivery and performance of this

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Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been obtained.

4.4 Orders.

There are no material outstanding Orders against or involving Berkshire Life by or before any Governmental Authority that may reasonably be expected to have the effect of preventing or delaying or making unlawful the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements. Berkshire Life has not received written notice from any Governmental Authority that it is currently intending to issue any such Order.

4.5 Permits.

Berkshire Life holds (a) all material Permits from all Governmental Authorities responsible for regulating insurance or reinsurance companies that are required for the performance of its obligations under this Agreement and each Ancillary Agreement and (b) except as otherwise would not have a material adverse effect, all other material Permits from all Governmental Authorities other than those responsible for regulating insurance or reinsurance companies that are required for the performance of its obligations under this Agreement and each Ancillary Agreement (collectively, the "**Berkshire Life Permits**"). All Berkshire Life Permits are valid and

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in full force and effect in accordance with their terms. There is no proceeding pending or, to the Knowledge of Berkshire Life, threatened, to revoke, cancel, suspend, terminate, limit, restrict, impair or modify any Berkshire Life Permit, nor has Berkshire Life received any written notice from any Governmental Authority of the failure to have any Berkshire Life Permit required by Applicable Law or alleging that Berkshire Life is not in material compliance with any Berkshire Life Permit.

4.6 **Certain Proceedings**.

There is no pending or, to the Knowledge of Berkshire Life, threatened, action against Berkshire Life or its Affiliates in or with any Governmental Authority that challenges or may reasonably be expected to have the effect of preventing or delaying or making unlawful the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

4.7 **Ratings**.

Since January 1, 2011, to the Knowledge of Berkshire Life, Berkshire Life has not received any notice that (a) its financial strength rating by (i) A.M. Best will be reduced below "A+" or (ii) S&P will be reduced below "AA+" or (b) that its rating by any other applicable rating agency will be adversely affected by the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

4.8 **Brokers or Finders**.

Neither Berkshire Life nor any of its Affiliates has incurred any obligation or liability for brokerage or finders' fees or agents' commissions or other similar payments in connection with this Agreement or the Ancillary Agreements and the transactions contemplated hereby or thereby.

4.9 **Due Investigation**.

Berkshire Life has such knowledge and experience in financial, business and insurance matters that it is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and the Ancillary Agreements and is capable of bearing the economic risks of such transactions. Berkshire Life has conducted such independent review and analysis of the Business Covered as it deemed appropriate and acknowledges and agrees that CGLIC has provided Berkshire Life with access to the personnel, properties, premises and Books and Records relating to the Business Covered for this purpose. In entering into this Agreement, Berkshire Life has not relied on any factual representations of CGLIC, its Affiliates or their respective Representatives other than the representations and warranties contained in ARTICLE III of this Agreement, as to which it shall be entitled to rely notwithstanding any such independent review.

4.10 **No Other Representations or Warranties**.

Notwithstanding anything contained in this Agreement or any Ancillary Agreements to the contrary, (a) neither Berkshire Life nor any Person on behalf of Berkshire Life is making any representations or warranties whatsoever, express or implied, beyond those expressly made by Berkshire Life in ARTICLE IV hereof, and (b) CGLIC and its Affiliates have not been induced by, or relied upon, any representations, warranties or statements (written or oral), whether express or implied, made by any Person, that are not expressly set forth in this ARTICLE IV.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF NICO

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NICO hereby represents and warrants to CGLIC that as of the date hereof:

5.1 Organization and Good Standing.

NICO is duly incorporated and validly existing as a corporation or other legal entity under the laws of its jurisdiction of incorporation or domicile. NICO has full corporate power and authority to conduct its business as it is now being conducted.

5.2 Authority; Enforceability; Non-Contravention.

(a) NICO has full corporate power and authority to execute and to deliver this Agreement, and to consummate the transactions contemplated herein. NICO has taken all necessary corporate action to authorize its execution and performance of this Agreement. This Agreement has been duly executed and delivered by NICO and, assuming due authorization, execution, and delivery of this Agreement by CGLIC, is the valid and binding obligation of NICO, enforceable against NICO in accordance with its terms, except as such enforceability may be limited by the Enforceability Exceptions.

(b) The execution, delivery and performance of this Agreement by NICO will not, with or without the giving of notice or passage of time or both, (i) violate or result in a

default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of NICO, or (B) any Applicable Law or any NICO Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

(c) NICO has full corporate power and authority to execute and to deliver the Ancillary Agreements to which it is a party, and to consummate the transactions contemplated therein. NICO has taken all necessary corporate action to authorize the execution and performance of such Ancillary Agreements. The Ancillary Agreements, if and when executed by NICO pursuant to the terms and conditions of this Agreement, will be duly executed and delivered by NICO and, assuming due authorization, execution, and delivery of the Ancillary Agreements by the other parties thereto, will be the valid and binding obligation of NICO, enforceable against NICO in accordance with their terms, subject to the Enforceability Exceptions.

(d) The execution, delivery and performance of any Ancillary Agreement by NICO will not, with or without the giving of notice or passage of time or both, (i) violate or result in a default or breach of, (ii) give to any Person a right of acceleration, termination, payment, suspension or revocation under, (iii) result in the loss of rights or benefits under, or (iv) result in the creation or imposition of any Encumbrance pursuant to (A) any provision of the corporate charter, by-laws or other organizational documents of NICO, or (B) any Applicable Law or any NICO Permit; provided in the case of clause (B), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect.

5.3 Consents and Approvals.

No consents or approvals of, or filing with, any Governmental Authority, is required to be made or obtained by NICO or any of its Affiliates in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been made or obtained. In addition, no consent or approval from any other third party is required to be obtained by NICO in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby that have not already been obtained.

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5.4 Orders.

There are no material outstanding Orders against or involving NICO by or before any Governmental Authority that may reasonably be expected to have the effect of preventing or delaying or making unlawful the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements. NICO has not received written notice from any Governmental Authority that it is currently intending to issue any such Order.

5.5 Permits.

NICO holds (a) all material Permits from all Governmental Authorities responsible for regulating insurance or reinsurance companies that are required for the performance of its obligations under this Agreement and each Ancillary Agreement to which it is a party and (b) except as otherwise would not have a material adverse effect, all other material Permits from all Governmental Authorities other than those responsible for regulating insurance or reinsurance companies that are required for the performance of its obligations under this Agreement and each Ancillary Agreement to which it is a party (collectively, the "**NICO Permits**"). All NICO Permits are valid and in full force and effect in accordance with their terms. There is no proceeding pending or, to the Knowledge of NICO, threatened, to revoke, cancel, suspend, terminate, limit, restrict, impair or modify any NICO Permit, nor has NICO received any written notice from any Governmental Authority of the failure to have any NICO Permit required by Applicable Law or alleging that NICO is not in material compliance with any NICO Permit.

5.6 Certain Proceedings.

There is no pending or, to the Knowledge of NICO, threatened, action against NICO or its Affiliates in or with any Governmental Authority that challenges or may reasonably be expected to have the effect of preventing or delaying or making unlawful the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

5.7 Ratings.

Since January 1, 2011, to the Knowledge of NICO, NICO has not received any notice (a) that its financial strength rating by (i) A.M. Best will be reduced below "A+", (ii) Moody' s will be reduced below "Aa1" or (iii) S&P will be reduced below "AA+" or (b) that its rating by any other applicable rating agency will be adversely affected by the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

5.8 No Other Representations or Warranties.

Notwithstanding anything contained in this Agreement or any Ancillary Agreements to the contrary, (a) neither NICO nor any Person on behalf of NICO is making any representations or warranties whatsoever, express or implied, beyond those expressly made by NICO in ARTICLE V hereof, and (b) CGLIC and its Affiliates have not been induced by, or relied upon, any representations, warranties or statements (written or oral), whether express or implied, made by any Person, that are not expressly set forth in this ARTICLE V.

ARTICLE VI

ADDITIONAL AGREEMENTS OF CGLIC, BERKSHIRE LIFE AND NICO

6.1 Expenses.

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Except as otherwise expressly provided herein or in any of the Ancillary Agreements, Berkshire Life, NICO and CGLIC shall each bear their respective direct and

indirect fees, costs and expenses incurred in connection with the negotiation and preparation of this Agreement, the Ancillary Agreements and the consummation of the transactions contemplated hereby or thereby, including all fees and expenses of its Representatives.

6.2 Maintenance of Books and Records.

At all times, CGLIC shall maintain the Books and Records in all material respects (a) commensurate with the manner in which it maintains books and records for its businesses other than the Business Covered, (b) in accordance with Applicable Law and (c) in accordance with sound business practices (taking into account the purposes of this Agreement and the Ancillary Agreements).

6.3 Cooperation.

After the date hereof, CGLIC, Berkshire Life and NICO shall cooperate with each other by furnishing any additional information and executing and delivering any additional documents as may be reasonably requested by the other to further perfect or evidence the consummation of any transaction contemplated by this Agreement or the Ancillary Agreements; provided, however, that any such additional documents must be reasonably satisfactory to each of the Parties and not impose upon any Party any liability, risk, obligation, loss, or material cost or expense not contemplated by this Agreement or the Ancillary Agreements.

6.4 Regulatory Compliance.

(a) CGLIC, Berkshire Life and NICO shall each ensure that it holds any (i) Permits from Governmental Authorities responsible for regulating insurance or reinsurance companies required for it to perform its obligations under each Ancillary Agreement to which it is a party in compliance with Applicable Law and (ii) except as otherwise would not have a material adverse effect, other Permits from Governmental Authorities other than those responsible for regulating insurance or reinsurance companies required for it to perform its obligations under each Ancillary Agreement to which it is a party in all material respects with Applicable Law.

(b) CGLIC, Berkshire Life and NICO shall each promptly notify the other Parties upon receipt of any written notice or communication from any Governmental Authority regarding any actual, alleged or potential violation of, or failure to comply with, the terms or requirements of any of its Permits, to the extent such circumstances have a material impact on, and are related to, the Business Covered.

6.5 Confidentiality.

(a) CGLIC and Berkshire Life (each, the "**Receiving Party**") hereby covenant and agree, each on behalf of itself and on behalf of its Affiliates, that from and after the date hereof, the Receiving Party and its Affiliates will not disclose, give, sell, use or otherwise divulge any Confidential Information (defined below) of the other party (the "**Disclosing Party**") or permit their respective Representatives to do the same, except that each Receiving Party may disclose such Confidential Information or portions thereof (i) if legally compelled to do so or as required in connection with an examination by any Governmental Authority, (ii) to the extent

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necessary for the performance of such Receiving Party' s obligations under this Agreement or the Ancillary Agreements, (iii) to enforce the rights of such Receiving Party and its Affiliates under this Agreement or the Ancillary Agreements, (iv) to those of such Receiving Party' s Affiliates, and to their respective Representatives in each case who need to know such information for the foregoing purposes, (v) as required under any Applicable Law, (vi) as required to a Tax Authority to support a position taken on any Tax Return, (vii) in connection with any audits of such Receiving Party as required by Applicable Law or (viii) or as required by the rules of any stock exchange on which the stock of a Receiving Party' s Affiliate is traded. If the Receiving Party or its Affiliates, or any of their respective Representatives become legally compelled to disclose any Confidential Information (other than as required in connection with an examination by an insurance regulatory authority), the Receiving Party shall provide the Disclosing Party with prompt written notice of such requirement so that the Disclosing Party may seek a protective order or other remedy or waive compliance with this Section 6.5. In the event that such protective order or other remedy is not obtained, or the Disclosing Party waives compliance with this Section 6.5, the Receiving Party or its Affiliates, as applicable, shall furnish only that portion of Confidential Information which is legally required to be provided and exercise its commercially reasonable efforts to obtain assurances that appropriate confidential treatment will be accorded to the Confidential Information.

(b) The Receiving Party, on behalf of itself and on behalf of its Affiliates and their respective Representatives acknowledges that a breach of its obligations under this Section 6.5 may result in irreparable injury to the Disclosing Party. In the event of the breach by Receiving Party or any of its Affiliates or their respective Representatives of any of the terms and conditions of this Section 6.5 to be performed, the Disclosing Party shall be entitled to the remedies provided in Section 8.11.

(c) For the purposes of this Agreement, "**Confidential Information**" means all confidential information (irrespective of the form of such information) of any kind, including any analyses, compilations, data, studies, notes, translations, memoranda or other documents, concerning the Disclosing Party or any of its Affiliates obtained directly or indirectly from the Disclosing Party or any of its Affiliates, or Representatives in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, including any information regarding the Business Covered, except information (i) which at the time of the disclosure or thereafter is ascertainable or available to the public (other than as a result of a disclosure directly or indirectly by the Receiving Party or any of its Affiliates, or Representatives), (ii) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or any of its Affiliates, or Representatives, provided that, to the knowledge of such Receiving Party, such source was not prohibited from disclosing such information to the Receiving Party by a legal, contractual or fiduciary obligation owed to another Person, (iii) the Receiving Party can establish is already in its possession or the possession of any of its Affiliates, or Representatives (other than information furnished by or on behalf of the Disclosing Party), or (iv) which is independently developed by the Receiving Party or its Affiliates without the use or benefit of any information that would otherwise be Confidential Information.

6.6 Conduct of Business.

(a) From and after the date hereof, CGLIC shall not voluntarily undertake any material changes to its administrative practices with respect to the Business Covered without the prior written consent of Berkshire Life (such consent not to be unreasonably withheld, conditioned or delayed).

(b) Each Party agrees and acknowledges that, from and after the date hereof, it shall not consolidate or merge with any other Person, or sell or transfer all or substantially all of its equity securities or assets, or undergo any similar business combination transaction, in each case, if such consolidation, merger, sale or transfer would result in such Party being unable to perform and observe such Party' s covenants and other obligations under this Agreement, unless, in each case, the performance and observance of such Party' s covenants and other obligations under this Agreement are expressly assumed by the entity formed by or surviving any such consolidation or merger, or to which such sale or transfer has been made, or following such business combination transaction,

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including for the avoidance of doubt, such Party' s obligations under ARTICLE VII hereunder. No Party shall enter into or participate in any transaction designed to evade, or with the purpose of evading, its indemnification obligations under ARTICLE VII hereunder.

6.7 Escrow of the ALC Model and Census Values.

(a) The term "**ALC Model**" refers to CGLIC' s proprietary, internally-developed, information technology system to generate cash flow projections for the Covered Contracts, as more particularly described in Section A.2 of Appendix 1 to Schedule 6.7(b).

(b) In order to ensure that the original code base and data used to generate the Specified Scenario Results as of the Calculation Date are preserved and will remain intact for purposes of calculating the ALC Model Adjustment Amount, if any, pursuant to Sections 3.3 and 3.4 of the Retrocession Agreement, CGLIC has taken, prior to the date hereof, the actions set forth in Schedule 6.7(b) as are contemplated to be taken prior to the date hereof, and shall, from and after the date hereof until the date of final determination of the ALC Model Adjustment Amount, take such other actions set forth in Schedule 6.7(b) as are contemplated to be taken after the date hereof (collectively, the "**ALC Model and Census Values Escrow Protocol**").

(c) The Parties agree and acknowledge that the Census Values utilized in the ALC Model for purposes of determining the Specified Scenario Results were determined based on CGLIC' s standard formatting and aging processes based on the in-force updates provided by each underlying cedent. The date of the in-force update of the Census Values for each underlying cedent utilized in the ALC Model is set forth on Schedule 6.7(c).

(d) The Parties agree and acknowledge that Berkshire Life shall have access to a copy of the ALC Model in connection with its determination of any ALC Model Adjustment Amount, upon written notice to CGLIC that it has reasonably determined that it is likely that it will file an ALC Dispute Notice.

6.8 Redomestication.

CGLIC shall not take any action that results in redomestication of CGLIC outside the United States without Berkshire Life' s prior written consent.

6.9 Publications.

Except as required by Applicable Law or stock exchange rules or regulations, none of the Parties shall issue any press release or public announcement concerning this Agreement or the Ancillary Agreements, or the transactions contemplated hereby or thereby, without obtaining the prior written approval of the other, which approval shall not be unreasonably withheld, conditioned or delayed. The Parties shall cooperate with each other in making any release or announcement.

ARTICLE VII

INDEMNIFICATION

7.1 CGLIC' s Indemnification Obligations.

Subject to the limitations set forth in this ARTICLE VII, and without duplication under the Ancillary Agreements, from and after the date hereof, CGLIC shall indemnify, reimburse, defend and hold harmless Berkshire Life, NICO, each of their

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Affiliates and each of their respective directors, officers, employees and agents (the "**Berkshire Indemnitees**") from and against any Loss resulting from, based upon, arising out of or otherwise relating to:

(a) Any breach or inaccuracy of any representation or warranty made by CGLIC contained in ARTICLE III of this Agreement (other than the ALC Model Representations, the indemnification of which shall be exclusively governed in accordance with Section 3.4 of the Retrocession Agreement);

(b) Any breach of or failure to perform any covenant or agreement of CGLIC contained in this Agreement to be performed after the date hereof (other than the covenants and agreements of CGLIC contained in Section 6.7, the indemnification of which shall be exclusively governed in accordance with Section 3.4 of the Retrocession Agreement); and

(c) any successful enforcement of the obligations contained in this Section 7.1 against CGLIC.

7.2 Berkshire Life' s Indemnification Obligations.

Subject to the limitations set forth in this ARTICLE VII, and without duplication under the Ancillary Agreements, from and after the date hereof, Berkshire Life shall indemnify, reimburse, defend and hold harmless CGLIC, its Affiliates and their respective directors, officers, employees and agents (the "**CGLIC Indemnitees**") from and against any Loss resulting from, based upon, arising out of or otherwise relating to:

(a) any breach or inaccuracy of any representation or warranty made by Berkshire Life contained in ARTICLE IV of this Agreement;

(b) any breach of or failure to perform any covenant or agreement of Berkshire Life contained in this Agreement to be performed after the date hereof; and

(c) any successful enforcement of the obligations contained in this Section 7.2 against Berkshire Life.

7.3 NICO' s Indemnification Obligations.

Subject to the limitations set forth in this ARTICLE VII, and without duplication under the Ancillary Agreements, from and after the date hereof, NICO shall indemnify, reimburse, defend and hold harmless the CGLIC Indemnitees from and against any Loss resulting from, based upon, arising out of or otherwise relating to:

(a) any breach or inaccuracy of any representation or warranty made by NICO contained in ARTICLE V of this Agreement;

(b) any breach of or failure to perform any covenant or agreement of NICO contained in this Agreement to be performed after the date hereof; and

(c) any successful enforcement of the obligations contained in this Section 7.3 against NICO.

7.4 Indemnification Procedures.

(a) In the event that either a CGLIC Indemnitee or a Berkshire Indemnitee desires to assert a demand, claim or circumstance that, immediately or with the lapse of time, could give rise to a claim (each, a "**Claim**") for indemnification hereunder

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(other than a Third Party Claim pursuant to Section 7.4(b)), such Party seeking indemnification (the "**Indemnified Party**") shall, as promptly as is reasonably practicable after becoming aware of the claim and entitlement to assert indemnification therefor, deliver written notice (such notice or the notice described in Section 7.4(b), a "**Claims Notice**") to the Party from whom indemnification is sought (the "**Indemnifying Party**"); provided, however, that a failure to give such notice shall not affect the Indemnified Party' s right to indemnification hereunder except to the extent that the Indemnifying Party is actually prejudiced thereby (except that the Indemnifying Party shall not be liable for any expenses incurred during the period in which the Indemnified Party failed to provide such notice). The Claims Notice shall describe the Claim in reasonable detail, and shall indicate the amount (estimated, if necessary) of the Loss, and method of computation thereof, that has been or may be suffered by the Indemnified Party and the provisions of this Agreement in respect of which such right of indemnification is sought or arises.

(b) Promptly after receipt from any third party by an Indemnified Party of a notice of any demand, claim or circumstance that, immediately or with the lapse of time, could give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation (a "**Third Party Claim**") that may result in a Loss for which indemnification may be sought hereunder, the Indemnified Party shall deliver a Claims Notice to

the Indemnifying Party; provided, however, that a failure to give such notice shall not affect the Indemnified Party' s right to indemnification hereunder except to the extent that the Indemnifying Party is actually prejudiced thereby (except that the Indemnifying Party shall not be liable for any expenses incurred during the period in which the Indemnified Party failed to provide such notice). The Claims Notice shall describe the Third Party Claim in reasonable detail (including the identity of the third party), and shall indicate, to the extent known, the amount (estimated, if necessary) of the Loss, and method of computation thereof, and the provisions of this Agreement in respect of which such right of indemnification is sought or arises. The Indemnified Party shall deliver to the Indemnifying Party copies of all notices and documents (including court papers) received by the Indemnified Party relating to such Third Party Claim.

(c) The Indemnifying Party shall be entitled to settle or assume and control the defense of any Third Party Claim at its own expense and by its own counsel. If the Indemnifying Party elects to settle or defend such Third Party Claim, it shall, within forty-five (45) calendar days following its receipt of the Claims Notice notify the Indemnified Party of its intent to do so, and the Indemnified Party shall cooperate, at the expense of the Indemnifying Party, in the settlement of, or defense against, such Third Party Claim, including, if appropriate and related to the Third Party Claim in question, in making any reasonable counterclaim against such third party, or any cross complaint against any Person (other than the Indemnified Party or its Affiliates). Should the Indemnifying Party so elect to assume the defense of a Third-Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereto. The Indemnified Party shall have the right to employ separate counsel in defense of such Third Party Claim and participate in such defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party. If the Indemnifying Party elects not to settle or defend the Third Party Claim, fails to notify the Indemnified Party of its election as herein provided or contests its obligation to provide indemnification under this Agreement, the Indemnified Party may pay, settle or defend such Third Party Claim. Notwithstanding the foregoing, neither the Indemnifying Party nor the Indemnified Party may settle any Third Party Claim without the consent of the other party; provided, that such consent to settlement shall not be unreasonably withheld, conditioned or delayed; further provided, the Indemnifying Party may, without the Indemnified Party' s prior written consent, settle any Third Party Claim or consent to entry of any judgment with respect to any Third Party Claim which requires solely money damages paid by the Indemnifying Party (without any right of reimbursement or other recourse to the Indemnified Party), and which includes as an unconditional term thereof the release by the claimant or the plaintiff of the Indemnified Party from all liability in respect of such Third Party Claim. If the Indemnifying Party chooses to defend any Third Party Claim, the Indemnified Party shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary, appropriate or useful for such defense.

7.5 Limitations on Indemnification Obligations.

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(a) Required payments by an Indemnifying Party pursuant to this ARTICLE VII shall be limited to the amount of any Loss remaining after deducting therefrom (i) any insurance or reinsurance proceeds actually received by the Indemnified Party on account of the Loss (other than with respect to any insurance or reinsurance coverage provided by an Affiliate of the Indemnified Party), (ii) any Tax benefit actually realized by the Indemnified Party in

respect of such Loss, and (iii) any indemnity, contribution, or other similar payment actually received by any Indemnified Party from any third party, in each case with respect to such Loss. The Indemnified Party shall use commercially reasonable efforts to collect all such proceeds, indemnity, contribution or other similar payments.

(b) Except for the representations and warranties contained in Sections 3.1, 3.2, 3.7, 3.8, 3.10, 4.1, 4.2, 4.8, 4.9, 4.10, 5.1, 5.2 and 5.8, all representations and warranties made by CGLIC, Berkshire Life and NICO in ARTICLES III, IV and V of this Agreement shall survive the date hereof for the period of one (1) year after the date hereof, whereupon they shall expire, and all claims for inaccuracy or breach of such representations and warranties will be deemed waived unless notice of the inaccuracy or breach thereof shall have been given to the breaching Party prior to the expiration of such one (1) year period, in which event such representation or warranty shall survive to the extent of the claim referred to in the notice until such claim has been resolved. The representations and warranties contained in Sections 3.1, 3.2, 3.7, 3.10, 4.1, 4.2, 4.8, 4.9, 4.10, 5.1, 5.2 and 5.8 shall continue in perpetuity or for such maximum period allowed under Applicable Law. The representations and warranties contained in Section 3.8 shall survive through the settlement of any ALC Model Adjustment Amount pursuant to Sections 3.3 and 3.4 of the Retrocession Agreement. All covenants and agreements contained in this Agreement made by the Parties that contemplate performance following the date hereof shall survive the date hereof.

(c) CGLIC shall have no obligation to indemnify the Berkshire Indemnitees under Section 7.1(a) for breaches or inaccuracies of any representation or warranty made by CGLIC under ARTICLE III (other than the representations and warranties made by CGLIC under Section 3.8) until Losses arising from such breaches or inaccuracies that would otherwise be indemnifiable hereunder incurred by such Berkshire Indemnitees exceed ten million dollars ($10,000,000) in the aggregate (the "**Indemnity Threshold**"), and thereafter, CGLIC shall be responsible only for the excess over the Indemnity Threshold; provided, however, that in no event shall the aggregate of all indemnifiable claims paid by CGLIC to the Berkshire Indemnitees under Section 7.1(a) exceed fifty million dollars ($50,000,000) in the aggregate (the "**Indemnity Cap**"). The limitations on amounts set forth in this Section 7.5(c) shall not apply to limit recovery by the Berkshire Indemnitees for indemnification with respect to breaches or inaccuracies of Sections 3.7 and 3.8 or for indemnification under Sections 7.1(b) or 7.1(c).

(d) Berkshire Life shall have no obligation to indemnify the CGLIC Indemnitees under Section 7.2(a) for breaches or inaccuracies of any representation or warranty made by Berkshire Life under ARTICLE IV until Losses arising from such breaches or inaccuracies that would otherwise be indemnifiable hereunder incurred by such CGLIC Indemnitees exceed the Indemnity Threshold, and thereafter, Berkshire Life shall be responsible only for the excess over the Indemnity Threshold; provided, however, that in no event shall the aggregate of all indemnifiable claims paid by Berkshire Life to CGLIC Indemnitees under Section 7.2(a) exceed the Indemnity Cap. The limitations on amounts set forth in this Section 7.5(d) shall not apply to limit recovery by the CGLIC Indemnitees for indemnification with respect to breaches or inaccuracies of Section 4.8 or for indemnification under Sections 7.2(b) or 7.2(c).

(e) NICO shall have no obligation to indemnify the CGLIC Indemnitees under Section 7.3(a) for breaches or inaccuracies of any representation or warranty made by NICO under ARTICLE V until Losses arising from such breaches or

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inaccuracies that would otherwise be indemnifiable hereunder incurred by such CGLIC Indemnitees exceed the Indemnity Threshold, and thereafter, NICO shall be responsible only for the excess over the Indemnity Threshold; provided, however, that in no event shall the aggregate of all indemnifiable claims paid by NICO to CGLIC Indemnitees under Section 7.3(a) exceed the Indemnity Cap. The limitations on amounts set forth in this Section 7.5(e) shall not apply to limit recovery by the CGLIC Indemnitees for indemnification under Sections 7.3(b) or 7.3(c).

7.6 [Intentionally Omitted]

7.7 Exclusive Remedy.

(a) Except as set forth in Section 8.11, this ARTICLE VII sets forth the sole and exclusive remedy for any breach, inaccuracy, violation or nonfulfillment of this Agreement (including any representation, warranty, covenant, obligation, other agreement or condition contained in this Agreement), regardless of whether a claim or counterclaim is based in tort, contract or any other legal theory, or arises under Applicable Law or in equity. In furtherance of the foregoing, each Party hereby waives, from and after the date hereof, to the fullest extent permitted under Applicable Law, any and all rights, claims, counterclaims and causes of action (other than claims or counterclaims of, or causes of action arising from, fraud) it may have against any other Party arising under or based upon this Agreement, any Applicable Law, common law or otherwise, except (i) pursuant to the indemnification provisions set forth in this ARTICLE VII and (ii) the remedies of injunction and specific performance to the extent available under Section 8.11 of this Agreement.

(b) The Parties further acknowledge and agree that the provisions of Sections 3.10, 4.9, 4.10 and 5.8 of this Agreement shall apply *mutatis mutandis* to the interpretation, application and enforcement of the provisions of the Ancillary Agreements, and the Parties understand and agree that none of CGLIC, Berkshire Life or NICO would have entered into this Agreement or any Ancillary Agreement without this material provision.

(c) None of CGLIC, Berkshire Life or NICO may assert a claim or counterclaim against any other Party or any of its Affiliates for any breach, inaccuracy, violation or nonfulfillment of any Ancillary Agreement other than solely pursuant to the express terms of such Ancillary Agreement, which for the avoidance of doubt shall foreclose any claim or counterclaim based in tort, contract or any other legal theory, or arises under Applicable Law or in equity, that is not based solely on a breach, inaccuracy, violation or nonfulfillment of the express terms of such Ancillary Agreement, except that the remedies of injunction and specific performance to the extent available under such Ancillary Agreement shall remain available to the Parties. In furtherance of the foregoing, each Party on behalf of itself and its Affiliates party to any Ancillary Agreement, hereby waives, from and after the date hereof, to the fullest extent permitted under Applicable Law, any and all rights, claims, counterclaims and causes of action (other than claims or counterclaims of, or causes of action arising from, fraud) it may have against any other Party or any other Party' s Affiliates arising under or based upon any Ancillary

Agreement, or any certificate pursuant thereto, any Applicable Law, common law or otherwise, except pursuant to the express terms of such Ancillary Agreement.

(d) Notwithstanding any other provisions in this Section 7.7, this Section 7.7 shall not be construed to alter or impact any express contractual right, remedy, covenant, obligation, agreement or condition contained in or provided for under the Ancillary Agreements.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

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8.1 Notices.

Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any Party hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by registered or certified mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if sent by facsimile transmission, on the date received (provided that any notice received after 5:00 p.m. (addressee' s local time) shall be deemed given at 9:00 a.m. (addressee' s local time) on the next Business Day), or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following address:

If to CGLIC:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mark Parsons
Senior Vice President
Telephone: (860) 226-8350
Fax: (860) 226-4074
Email: Mark.Parsons@Cigna.com

with copies (which shall not constitute notice) to:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mary Carey
Senior Counsel
Telephone: (860) 226-9824
Fax: (860) 226-8942
Email: Mary.Carey@Cigna.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: Robert J. Sullivan
J. Stephanie Nam
Telephone: (212) 735-3000
Fax: (917) 777-2930
Email: Robert.Sullivan@skadden.com
Stephanie.Nam@skadden.com

If to Berkshire Life:

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Berkshire Hathaway Reinsurance Group
100 First Stamford Place
Stamford, CT 06902
Attention: Stephen McArthur
Telephone: (416) 263-7576
Fax: (203) 363-5221
Email: StephenMcArthur@bhlifere.com

with copies (which shall not constitute notice) to:

Berkshire Hathaway Reinsurance Division
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover
Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

and

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Donald B. Henderson, Jr.
Telephone: (212) 728-8000
Fax: (212) 728-9262
Email: dhenderson@willkie.com

If to NICO:

Berkshire Hathaway Reinsurance Group
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover
Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

with copies (which shall not constitute notice) to:

Berkshire Hathaway Reinsurance Division
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover

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Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

and

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Donald B. Henderson, Jr.
Telephone: (212) 728-8000
Fax: (212) 728-9262
Email: dhenderson@willkie.com

Any Party may change its notice provisions on fifteen (15) calendar days' advance notice in writing to each other Party.

8.2 Entire Agreement.

This Agreement (including the exhibits and schedules hereto), the Ancillary Agreements and any other documents delivered pursuant hereto or thereto, constitute the entire agreement among the Parties and their respective Affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof and thereof.

8.3 Waiver and Amendment.

This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by an instrument in writing signed by the Parties hereto, or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any

Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of any Party to insist on compliance with any obligation contained in this Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right or remedy contained herein nor stop any Party from thereafter demanding full and complete compliance nor prevent any Party from exercising such right or remedy in the future. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

8.4 Successors and Assigns.

The rights and obligations of the Parties under this Agreement shall not be subject to assignment without the prior written consent of each other Party, and any attempted assignment without the prior written consent of each other Party shall be invalid *ab initio*. The terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the Parties.

8.5 Headings.

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The headings and table of contents of this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

8.6 Construction; Interpretation.

CGLIC, Berkshire Life and NICO have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. When a reference is made to an Article, Section, Schedule or Exhibit such reference shall be to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "Agreement," means this Agreement as amended or supplemented, together with all Exhibits and Schedules attached hereto or incorporated by reference, and the words "hereof," "herein," "hereto," "hereunder" and other words of similar import shall refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement, provided, however, for the avoidance of doubt, the word "Agreement" shall not include the Ancillary Agreements unless, in each case, specifically incorporated therein by reference. The references to "$" shall be to United States dollars. Reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, and all rules and regulations promulgated thereunder. References to a Person are also to its successors (including by reason of merger, consolidation or otherwise) and permitted assigns.

8.7 Governing Law and Jurisdiction.

This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to such state' s principles of conflict of laws that could compel the application of the laws of another jurisdiction. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DISTRICT COURT OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF CONNECTICUT, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, HOWEVER, THAT, IF SAID COURT DETERMINES THAT IT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THEN SAID ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN THE COURTS OF THE STATE OF CONNECTICUT. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL ADDRESSED TO SUCH PARTY SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST SUCH PARTY IN ANY SUCH COURT. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO AGREES THAT FINAL, NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON SUCH PARTY AND MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION OVER SUCH PARTY OR ANY OF ITS ASSETS. EACH PARTY AGREES TO WAIVE ANY REQUIREMENT FOR THE POSTING OF A BOND OR FOR THE POSTING OF ANY SECURITY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

8.8 No Third Party Beneficiaries.

Nothing in this Agreement is intended or shall be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

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8.9 Counterparts.

This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the Parties notwithstanding the fact that all Parties are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

8.10 Severability.

Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Agreement, the Parties shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the Parties as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

8.11 Specific Performance.

Each of the Parties acknowledges and agrees that each other Party would be irreparably damaged in the event that any of the provisions of this Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached, violated or unfulfilled. Accordingly, each of the Parties agrees that each other Party shall be entitled to an injunction or injunctions to prevent noncompliance with, or breaches or violations of, the provisions of this Agreement by each other Party and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in accordance with Section 8.7, in addition to any other remedy to which such Party may be entitled, at law or in equity, without being required to post bond or furnish other security. In the event that any action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking the remedies provided for in this Section 8.11, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement and (ii) nothing contained in this Section 8.11 shall require any Party to institute any action for (or limit any Party' s right to institute any action for) specific performance under this Section 8.11 before exercising any other remedies under this Agreement that may be available then or thereafter.

8.12 Waiver of Jury Trial.

EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND
(B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY

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THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

8.13 Incontestability.

In consideration of the mutual covenants and agreements contained herein, each Party does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each Party does hereby agree that it shall not contest in any respect the validity or enforceability hereof.

8.14 Set-Off.

Any debts or credits, matured or unmatured, liquidated or unliquidated, regardless of when they arose or were incurred, in favor of or against either of CGLIC or Berkshire Life with respect to this Agreement or any Ancillary Agreement are deemed mutual debts or credits, as the case may be, and shall be set off, and only the net balance shall be allowed or paid.

8.15 Currency.

All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

8.16 Waiver of Duty of Utmost Good Faith.

Other than in connection with claims or counterclaims of, or causes of action arising from fraud, each Party absolutely and irrevocably waives resort to the duty of “utmost good faith” or any similar principle of heightened disclosure or fiduciary duties in connection with the negotiation and/or execution of this Agreement and the Ancillary Agreements. Notwithstanding anything in this Agreement or the Ancillary Agreements to the contrary, each Party agrees that it does not waive the duty of “utmost good faith” or any similar principle of heightened disclosure or fiduciary duties relating to the conduct of the Parties after the date hereof.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the day and year first set forth above.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: /s/ Mark Parsons
Name: Mark Parsons
Title: Senior Vice President

[Signatures Continue onto Next Page]

Master Transaction Agreement Signature Page

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BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA

By: /s/ Michael Lawler
Name: Michael Lawler
Title: Vice President

NATIONAL INDEMNITY COMPANY
(solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII)

By: /s/ Brian Snover
Name: Brian Snover
Title: Vice President

Master Transaction Agreement Signature Page

EXECUTION COPY

ALC MODEL PURCHASE OPTION AGREEMENT

This **ALC MODEL PURCHASE OPTION AGREEMENT** (this "**Agreement**"), dated as of February 4, 2013, is made and entered into by and between **Connecticut General Life Insurance Company**, a Connecticut life insurance company ("**CGLIC**"), and **Berkshire Hathaway Life Insurance Company of Nebraska**, a Nebraska life insurance company ("**Berkshire Life**"). CGLIC and Berkshire Life may be referred to herein individually as a "**Party**" or together as the "**Parties**." Any capitalized term used but not defined herein shall have the meaning set forth in the Master Transaction Agreement, dated as of February 4, 2013, by and among the Parties and National Indemnity Company, a Nebraska property and casualty insurance company (solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII thereof).

RECITALS

WHEREAS, CGLIC and/or its Affiliates owns Intellectual Property rights in the ALC Model, which is used to generate cash flow projections for the Covered Contracts;

WHEREAS, CGLIC and Berkshire Life have entered into that certain Retrocession Agreement, dated as of February 4, 2013 (the "**Retrocession Agreement**"), whereby CGLIC has ceded to Berkshire Life, and Berkshire Life has assumed, the Covered Liabilities;

WHEREAS, pursuant to the Retrocession Agreement, CGLIC has agreed to grant Berkshire Life an option to purchase sole ownership of its Intellectual Property rights in the ALC Model pursuant to the terms and conditions of this Agreement.

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NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. DEFINITIONS.

1.1. "**ALC Model**" means CGLIC' s proprietary, internally-developed, information technology system to generate cash flow projections for the Covered Contracts, as more particularly described in Exhibit A attached hereto.

1.2. "**Computer Programs**" means (a) computer programs, including object code, executables and source code, (b) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, (c) documentation, including user manuals and training materials, relating to any of the foregoing, (d) any and all data and databases (including all electronic compilations of data) relating to any of the foregoing and (e) tangible embodiments of the foregoing.

1.3. "**Derivative Works**" means Intellectual Property developed by or for CGLIC which are a modification of, enhancement to, derived from or based upon the Acquired Intellectual Property.

1.4. "**Intellectual Property**" means United States and foreign patents and copyrights and general intangibles of like nature, whether registered or at common law (including all registrations and applications for the foregoing and all common law rights therein), databases and compilations, including any and all data, collections of data and documentation related to any of the foregoing, and rights in Computer Programs, trade secrets, confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies, but excluding any trademarks, service marks, trade names or other indicia of source or origin.

2. OPTION TO PURCHASE JOINT OWNERSHIP; PURCHASE PRICE.

2.1. CGLIC hereby grants to Berkshire Life an irrevocable (other than as set forth in Section 2.5) option, which option may be exercised at any time in Berkshire Life' s sole discretion starting on the third anniversary of the date hereof to purchase from CGLIC all of its right, title and interest in and to any Intellectual Property owned by CGLIC that is incorporated into the ALC Model (such Intellectual Property, the "**Acquired Intellectual Property**") by providing written notice of such exercise to CGLIC (the "**Purchase Notice**").

2.2. The purchase price for the Acquired Intellectual Property (the "**Purchase Price**") shall be an amount agreed by the Parties promptly after CGLIC' s receipt of the Purchase Notice (the "**Notice Date**"), provided that if the Parties are unable to agree on such purchase price within fifteen (15) days of the Notice Date, then the Parties shall submit the matter to an independent nationally recognized accounting or consulting firm to determine the Purchase Price based on the fair market value of such Acquired Intellectual Property if sold in an arm' s length transaction, taking into consideration that the software is being sold "as is" and the absence of representations, warranties and indemnification rights with respect to ownership or performance. The Purchase Price decision of such accounting or consulting firm shall be final and binding on the Parties. The parties shall share equally in any fees and expenses charged by such accounting or consulting firm in determining the Purchase Price.

2.3. Effective upon Berkshire Life' s payment of the Purchase Price as agreed or determined pursuant to Section 2.2 (the "**Purchase Date**"):

(a) CGLIC hereby assigns, transfers and conveys to Berkshire Life all of its right, title, and interest throughout the world in and to the Acquired Intellectual Property, including, any and all causes of action and damages for past infringement of the Acquired Intellectual Property.

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(b) CGLIC will, at the reasonable request and expense of Berkshire Life, do (and cause its affiliates to do) all lawful and just acts that may be or become reasonably necessary for evidencing, maintaining, recording and perfecting Berkshire Life' s ownership of the Acquired Intellectual Property as provided herein, including execution and acknowledgement of (and causing its affiliates to execute and acknowledge) assignments and other instruments of transfer in a form reasonably required by Berkshire Life for each type of Intellectual Property and in each jurisdiction in which such Intellectual Property exists.

2.4. Effective as of the Purchase Date, Berkshire Life hereby grants to CGLIC a perpetual, irrevocable, non-exclusive, royalty-free, sublicenseable, transferable license to use, copy and create Derivative Works of the Acquired Intellectual Property for its business purposes. CGLIC shall own all right, title and interest in and to any such Derivative Works created by or on behalf of CGLIC.

2.5. Notwithstanding anything to the contrary herein, immediately upon the expiration or termination of the Retrocession Agreement, (a) the option granted to Berkshire Life pursuant to Section 2.1 shall be immediately and automatically revoked, (b) in the event Berkshire Life had purchased the Acquired Intellectual Property, Berkshire Life shall (i) assign, transfer and convey to CGLIC all of its right, title, and interest throughout the world in and to the Acquired Intellectual Property, and (ii) at the reasonable request and expense of CGLIC, do (and cause its affiliates to do) all lawful and just acts that may be or become reasonably necessary for evidencing, maintaining, recording and perfecting CGLIC' s ownership of the Acquired Intellectual Property as provided herein, including execution and acknowledgement of (and causing its affiliates to execute and acknowledge) assignments and other instruments of transfer in a form reasonably required by CGLIC for each type of Intellectual Property and in each jurisdiction in which such Intellectual Property exists, and (c) Berkshire Life shall not have any rights hereunder with respect to the Acquired Intellectual Property.

3. DISCLAIMER

3.1. THE ACQUIRED INTELLECTUAL PROPERTY IS PROVIDED "AS IS" WITH ANY AND ALL BUGS, PROGRAMMING FAULTS AND OTHER DEFECTS OR ERRORS, WITHOUT LIABILITY, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. IN NO EVENT SHALL CGLIC BE LIABLE FOR ANY CLAIM, OR ANY DIRECT, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, CONTRACTS, REVENUE, GOODWILL OR BUSINESS REPUTATION), WHETHER IN AN ACTION OF CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE, GROSS NEGLIGENCE, MISREPRESENTATION AND STRICT LIABILITY) OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH THE USE OF OR THE INABILITY TO USE THE ACQUIRED INTELLECTUAL PROPERTY, AND IRRESPECTIVE OF WHETHER CGLIC HAS REASON TO KNOW OR HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES.

3.2. For the avoidance of doubt, following the Purchase Date CGLIC shall have no obligation to maintain or support the ALC Model or Berkshire Life' s use thereof.

4. GENERAL

4.1. **Notices.** Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any Party hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by registered or certified

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mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if sent by facsimile transmission, on the date received (provided that any notice received after 5:00 p.m. (addressee' s local time) shall be deemed given at 9:00 a.m. (addressee' s local time) on the next Business Day), or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following address:

If to CGLIC:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mark Parsons
Senior Vice President
Telephone: (860) 226-8350
Fax: (860) 226-4074
Email: Mark.Parsons@Cigna.com

with copies (which shall not constitute notice) to:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mary Carey
Senior Counsel
Telephone: (860) 226-9824
Fax: (860) 226-8942
Email: Mary.Carey@Cigna.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: Robert J. Sullivan
J. Stephanie Nam
Telephone: (212) 735-3000
Fax: (917) 777-2930
Email: Robert.Sullivan@skadden.com
Stephanie.Nam@skadden.com

If to Berkshire Life:

Berkshire Hathaway Reinsurance Group
100 First Stamford Place
Stamford, CT 06902
Attention: Stephen McArthur

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Telephone: (416) 263-7576
Fax: (203) 363-5221
Email: StephenMcArthur@bhlifere.com

with copies (which shall not constitute notice) to:

Berkshire Hathaway Reinsurance Division
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover
Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

and

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Donald B. Henderson, Jr.
Telephone: (212) 728-8000
Fax: (212) 728-9262
Email: dhenderson@willkie.com

Any Party may change its notice provisions on fifteen (15) calendar days' advance notice in writing to the other Party.

4.2. Entire Agreement. This Agreement, the Master Transaction Agreement, the other Ancillary Agreements and any other documents delivered pursuant hereto or thereto, constitute the entire agreement among the Parties and their respective Affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof and thereof.

4.3. Waiver and Amendment. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by an instrument in writing signed by the Parties hereto, or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of any Party to insist on compliance with any obligation contained in this Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right or remedy contained herein nor stop any Party from thereafter demanding full and complete compliance nor prevent any Party from exercising such right or remedy in the future. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

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4.4. **Successors and Assigns.** The rights and obligations of the Parties under this Agreement shall not be subject to assignment without the prior written consent of the other Party, and any attempted assignment without the prior written consent of the other Party shall be invalid *ab initio*. The terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the Parties.

4.5. **Headings.** The headings and table of contents of this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

4.6. **Construction; Interpretation.** CGLIC and Berkshire Life have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. When a reference is made to an Article, Section, Schedule or Exhibit, such reference shall be to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "Agreement," means this Agreement as amended or supplemented, together with all Exhibits and Schedules attached hereto or incorporated by reference, and the words "hereof," "herein," "hereto," "hereunder" and other words of similar import shall refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement. The references to "$" shall be to United States dollars. Reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, and all rules and regulations promulgated thereunder. References to a Person are also to its successors (including by reason of merger, consolidation or otherwise) and permitted assigns.

4.7. **Governing Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to such state' s principles of conflict of laws that could compel the application of the laws of another jurisdiction. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DISTRICT COURT OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF CONNECTICUT, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT; PROVIDED, HOWEVER, THAT, IF SAID COURT DETERMINES THAT IT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THEN SAID ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN THE COURTS OF THE STATE OF CONNECTICUT. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL ADDRESSED TO SUCH PARTY SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST SUCH PARTY IN ANY SUCH COURT. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS

BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO AGREES THAT FINAL, NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON SUCH PARTY AND MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION OVER SUCH PARTY OR ANY OF ITS ASSETS. EACH PARTY AGREES TO WAIVE ANY REQUIREMENT FOR THE POSTING OF A BOND OR FOR THE POSTING OF ANY SECURITY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

4.8. **No Third Party Beneficiaries.** Nothing in this Agreement is intended or shall be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

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4.9. Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the Parties notwithstanding the fact that all Parties are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

4.10. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Agreement, the Parties shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the Parties as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

4.11. Specific Performance. Each of the Parties acknowledges and agrees that the other Party would be irreparably damaged in the event that any of the provisions of this Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached, violated or unfulfilled. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent noncompliance with, or breaches or violations of, the provisions of this Agreement by the other Party and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in accordance with Section 4.7, in addition to any other remedy to which such Party may be entitled, at law or in equity, without being required to post bond or furnish other security. In the event that any action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (a) by seeking the remedies provided for in this Section

4.11, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement, and (b) nothing contained in this Section 4.11 shall require any Party to institute any action for (or limit any Party’ s right to institute any action for) specific performance under this Section 4.11 before exercising any other remedies under this Agreement that may be available then or thereafter.

4.12. Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.12.

4.13. Incontestability. In consideration of the mutual covenants and agreements contained herein, each Party does hereby agree that this Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each Party does hereby agree that it shall not contest in any respect the validity or enforceability hereof.

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4.14. Currency. All financial data required to be provided pursuant to the terms of this Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the day and year first set forth above.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: ______________________________

Name: Mark Parsons
Title: Senior Vice President

[Signatures Continue onto Next Page]

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA

By: ______________________________

Name: Michael Lawler
Title: Vice President

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TRUST AGREEMENT

by and among

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,

(hereinafter referred to as the "Beneficiary"),

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA
(hereinafter referred to as "BHLN"),

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NATIONAL INDEMNITY COMPANY
(hereinafter referred to as "NICO", and along with BHLN, individually and collectively, the "Grantor")

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
(hereinafter referred to as the "Trustee")

Dated as of February 27, 2013

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TRUST AGREEMENT

THIS TRUST AGREEMENT (this "**Trust Agreement**") is made and entered into as of February 27, 2013 by and among **Connecticut General Life Insurance Company**, a Connecticut life insurance company (the "**Beneficiary**"), **Berkshire Hathaway Life Insurance Company of Nebraska,** a Nebraska life insurance company ("**BHLN**") and **National Indemnity Company**, a Nebraska property and casualty company ("**NICO**" and along with BHLN, individually and collectively, the "**Grantor**") and **Wells Fargo Bank National Association**, a banking association organized under the laws of the United States, as trustee (hereinafter referred to as the "**Trustee**").

WHEREAS, in accordance with that certain Master Transaction Agreement, dated February 4, 2013, by and among the Beneficiary, BHLN and NICO (solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII thereof), the Beneficiary and BHLN have entered into that certain Retrocession Agreement dated February 4, 2013 (the "**Retrocession Agreement**"), whereby, subject to the terms and conditions thereof, they have agreed that the Beneficiary will cede to BHLN, and BHLN will reinsure, the Covered Liabilities;

WHEREAS, NICO, BHLN and the Beneficiary have entered into that certain Surety Policy dated February 4, 2013 (the "**Surety Policy**") whereby NICO assumes certain direct obligations to the Beneficiary and guarantees to the Beneficiary the performance of certain obligations of BHLN under the Retrocession Agreement.

WHEREAS, the Retrocession Agreement contemplates that the Grantor and the Beneficiary enter into this Trust Agreement whereby the Grantor creates a trust to hold Assets as security for the satisfaction of the certain obligations of the Grantor to the Beneficiary under the Retrocession Agreement and the Surety Policy;

WHEREAS, the parties intend that, in the event of a Reinsurance Credit Event, certain provisions of this Trust Agreement shall cease to be effective, and other provisions shall be effective thereafter, as described in Article II.

NOW THEREFORE, the Grantor, the Beneficiary and the Trustee, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and upon the terms and conditions hereinafter set forth, agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions. The following terms, when used in this Trust Agreement, shall have the meanings set forth in this Section 1.1. The terms defined below shall be deemed to refer to the singular or plural, as the context requires.

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(a) "**Accounting Date**" shall mean the date after the end of every calendar quarter or year, as applicable, on which the Beneficiary will deliver to the Grantor its calculation of the Statutory Reserves for the calendar quarter or year just ended, together with a

copy of its statutory financial statement that was filed with its domiciliary state for the same period.

(b) "**Aggregate Limit**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(c) "**ALC Model Adjustment Amount**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(d) "**Assets**" shall mean the assets held in the Trust Account, including, as applicable, Eligible Assets and RCE Eligible Assets.

(e) "**Beneficiary**" shall have the meaning ascribed to such term in the Preamble.

(f) "**Beneficiary Withdrawal Notice**" shall have the meaning ascribed to such term in Section 5.1(c).

(g) "**BHLN**" shall have the meaning ascribed to such term in the Preamble.

(h) "**Business Day**" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in Connecticut, Nebraska or New York are required or authorized by law to be closed.

(i) "**Claims Paying Account**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(j) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(k) "**Covered Contracts**" shall mean the reinsurance contracts listed on Schedule 1.1(a).

(l) "**Covered Liabilities**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(m) "**Eligible Assets**" shall mean cash, investment grade bonds and equity securities traded on a national securities exchange or NASDAQ; provided that, with respect to equity securities, each equity security shall be issued by a company having a market capitalization of no less than $10 billion; provided, further, that if the Trust Account contains equity securities, the Trust Account shall contain equity securities issued by no fewer than five companies. Eligible Assets shall not include any securities issued by the Grantor or a subsidiary of Berkshire Hathaway, Inc.

(n) "**Fair Market Value**" means (i) as to cash, the amount thereof, and (ii) as to an Asset other than cash, the amount at which such Asset could be bought or sold in a current transaction between willing parties other than in a forced or liquidation sale.

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(o) "**Funds Withheld Amount**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(p) "**Governmental Authority**" shall mean any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous, other than any Tax Authority.

(q) "**Grantor**" shall have the meaning ascribed to such term in the Preamble.

(r) "**Grantor Designee**" shall have the meaning ascribed to such term in Section 5.2(c).

(s) "**Grantor Withdrawal Notice**" shall have the meaning ascribed to such term in Section 5.2(c).

(t) "**Insurance Commissioner**" shall mean the Governmental Authority responsible for the regulation of insurance companies in the jurisdiction in which the Beneficiary is domiciled.

(u) "**NICO**" shall have the meaning ascribed to such term in the Preamble.

(v) "**Quarterly Certification**" shall have the meaning ascribed to such term in Section 4.3.

(w) "**RCE Eligible Assets**" shall mean cash and securities of the type conforming to the qualitative and quantitative requirements for investments permitted under the laws and regulations of the Beneficiary' s domiciliary state for trusts providing statutory financial statement credit for reinsurance ceded by domestic life insurance companies.

(x) "**RCE Funding Amount**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(y) "**Reinsurance Credit Event**" shall have the meaning set forth in the Retrocession Agreement

(z) "**Reinsurance Credit Event Certification**" shall have the meaning ascribed to such term in Section 2.1(a).

(aa) "**Replacement Assets**" shall have the meaning ascribed to such term in Section 4.1(a).

(bb) "**Required Balance**" shall mean, at any time of determination, an amount equal to 120% the Statutory Reserves.

(cc) "**Retrocession Agreement**" shall have the meaning ascribed to such term in the Recitals.

(dd) "**Statutory Reserves**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(ee) "**Surety Policy**" shall have the meaning ascribed to such term in the Recitals.

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(ff) "**Third Party Actuary**" shall mean an independent actuarial firm which is mutually acceptable to the Grantor and the Beneficiary, or, if the Grantor and the Beneficiary cannot agree on such an actuarial firm, an independent actuarial firm selected by the parties' respective independent auditors.

(gg) "**Trust**" shall mean the trust formed hereunder, including such trust following a Reinsurance Credit Event.

(hh) "**Trust Account**" shall have the meaning ascribed to such term in Section 3.1(a).

(ii) "**Trust Agreement**" shall have the meaning ascribed to such term in the Preamble.

(jj) "**Trustee**" shall have the meaning ascribed to such term in the Preamble.

(kk) "**Trust Funding Date**" shall have the meaning ascribed to such term in the Retrocession Agreement.

(ll) "**Ultimate Net Loss**" shall have the meaning ascribed to such term in the Retrocession Agreement.

Section 1.2 Interpretation. When a reference is made in this Trust Agreement to a Section or Article, such reference shall be to a section or article of this Trust Agreement unless otherwise clearly indicated to the contrary. The Article and Section headings contained in this Trust Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not affect in any way the meaning or interpretation of this Trust Agreement. Whenever the words "include," "includes" or "including" are used in this Trust Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Trust Agreement as a whole and not to any particular provision of this Trust Agreement. The meaning assigned to each term used in this Trust Agreement shall be equally applicable to both the singular and the plural forms of such term and to both the masculine as well as the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. Where a word or phrase is defined

herein, each of its other grammatical forms shall have a corresponding meaning. References to a person are also to its successors and permitted assigns.

ARTICLE II

MODIFICATION UPON A REINSURANCE CREDIT EVENT

Section 2.1 Reinsurance Credit Event.

(a) Notwithstanding anything in this Trust Agreement to the contrary, in the event the Beneficiary provides a written notice to the Trustee (and contemporaneous notice to the Grantor) certifying that a Reinsurance Credit Event has occurred (such notice, the "**Reinsurance Credit Event Certification**"), upon receipt of such certification by the Trustee, the provisions set forth in Sections 3.1, 3.3, 4.1(a), 4.3, 5.1, 5.2, 6.3 6.4, 6.7, 6.10 and 8.2 hereof shall automatically be replaced by the provisions set forth in Appendix A hereof for the equivalent Sections and thereafter not be effective, and the provisions set forth in Appendix A, including Section 5.3, shall automatically become effective without further action by any party. In addition, any other provisions required under Applicable Law and regulations governing trusts established to provide Reserve Credit to the extent applicable to the

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Beneficiary shall be incorporated herein by the parties hereto. Notwithstanding the foregoing, the Trust created hereunder shall continue in existence.

(b) Following a Reinsurance Credit Event, at the request of the Beneficiary, the Grantor shall be required to replace the Assets held in the Trust Account which are not RCE Eligible Assets for Assets which are RCE Eligible Assets within five (5) Business Days following the receipt by the Grantor of such request. Within five (5) Business Days following the receipt by the Grantor of the Reinsurance Credit Event Certification, the Grantor shall deposit into the Trust Account sufficient additional Assets so that the aggregate Fair Market Value of the RCE Eligible Assets in the Trust Account equals the RCE Funding Amount.

(c) The provisions set forth in Appendix A shall remain effective only for the time, and only to the extent, required to address the event, change or condition giving rise to the Reinsurance Credit Event. Promptly following the elimination, termination or suspension of the events, changes or conditions giving rise to a Reinsurance Credit Event, the Beneficiary shall provide its approval for the replacement of the provisions set forth in Appendix A with the provisions set forth in Sections 3.1, 3.3, 4.1(a), 4.3, 5.1, 5.2, 6.3 6.4, 6.7, 6.10 and 8.2 hereof as in effect prior to the Reinsurance Credit Event.

ARTICLE III

CREATION OF TRUST ACCOUNT

Section 3.1 Deposition of Assets into the Trust Account.

(a) The Grantor hereby establishes with the Trustee, in the name of the Trustee, to be held for the sole benefit of the Beneficiary pursuant to the provisions of this Trust Agreement, a segregated trust account maintained by the Trustee with account number [•] (which shall be herein referred to as the "**Trust Account**").

(b) On the Trust Funding Date, either the Beneficiary, or the Beneficiary and the Grantor, as applicable, shall transfer for deposit into the Trust Account Eligible Assets with an aggregate Fair Market Value equal to the outstanding balance of the Funds Withheld Amount in accordance with Section 10.1(b) of the Retrocession Agreement. Thereafter, if applicable, the Beneficiary shall transfer to the Trust Account, on behalf of the Grantor, cash in the aggregate amount of 67% of the ALC Model Adjustment Amount, plus interest on such amount, in accordance with Section 10.1(c) of the Retrocession Agreement.

Section 3.2 Acceptance of Assets by the Trustee.

(a) The Trustee shall not accept any Assets (other than cash) for deposit into the Trust Account unless the Trustee determines that it is or will be the registered owner of and holder of legal title to the Assets or that such Assets are in such form that the Trustee may, if applicable to such asset class, negotiate any such Assets, without consent or signature from the Grantor or any other person or entity. Any Assets received by the Trustee which, if applicable to such asset class, are not in such proper negotiable form or for which title has not been transferred to the Trustee, shall not be accepted by the Trustee and shall be returned to the Grantor as unacceptable.

(b) The Trustee and its lawfully appointed successors is and are authorized and shall have the power to receive such Assets as the Grantor (or the Beneficiary on behalf of the Grantor) from time to time may transfer or remit to the Trust Account and to hold and dispose of the same for the uses and purposes and in the manner and according to the provisions herein set forth. All such Assets at all times shall be maintained as a trust account, separate and distinct from all other assets on the books and records of the Trustee, and shall be continuously kept in a safe place within the United States.

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Section 3.3 Purpose of the Trust.

(a) The Assets in the Trust Account shall be held by the Trustee for the purpose of securing the obligations of BHLN under the Retrocession Agreement and the obligations of NICO under the Surety Policy.

(b) The Grantor grants to the Trustee all trust powers necessary and reasonable in the performance of its duties hereunder except as otherwise expressly provided herein.

Section 3.4 Grantor Trust for United States Federal Income Tax Purposes. The Trust Account shall be treated as a grantor trust (pursuant to sections 671 through 677 of the Code) for United States federal income tax purposes. The Grantor shall constitute the grantor (within the meaning of sections 671 and 677 of the Code) and, thus, any and all income derived from the Assets held in the Trust shall constitute income or gain of the Grantor as the owner of such Assets.

Section 3.5 Designation of Agents. Except as otherwise expressly provided in this Trust Agreement, any statement, certificate, notice, request, consent, approval, or other instrument to be delivered or furnished by the Grantor or the Beneficiary shall be sufficiently executed if executed in the name of the Grantor or the Beneficiary by such officer or officers of

the Grantor or the Beneficiary or by such other agent or agents of the Grantor or the Beneficiary as may be designated in a resolution of the Board of Directors of the Grantor or the Beneficiary or Committee thereof or a letter of advice issued by the President, Secretary or Treasurer of the Grantor or the Beneficiary, as applicable. Written notice of such designation by the Grantor or the Beneficiary shall be filed with the Trustee. The Trustee shall be protected in acting upon any written statement or other instrument made by such officers or agents of the Grantor or the Beneficiary with respect to the authority conferred on it.

Section 3.6 Title to Assets. Title to any Assets transferred by the Grantor to the Trustee for deposit to the Trust Account will be recorded in the name of the Trustee. The out-of-pocket costs of transfers of title between the Grantor and the Trustee shall be shared equally by the Grantor and the Beneficiary, and the Grantor shall use reasonable efforts to limit such costs. The Beneficiary shall not have legal title to any part of the Assets, but shall have an undivided beneficial interest in all Assets.

ARTICLE IV

MAINTENANCE OF THE TRUST

Section 4.1 Substitution of Trust Account Assets.

(a) The Grantor may, from time to time, substitute or exchange Assets contained in the Trust Account, provided, however, (i) the Assets so substituted or exchanged (the "**Replacement Assets**") must be Eligible Assets, (ii) the Replacement Assets must be deposited in the Trust Account on the day of the substitution or exchange and (iii) the aggregate Fair Market Value of the Replacement Assets must be at least equal to the aggregate Fair Market Value of the Assets being removed from the Trust Account. Upon any substitution or exchange as provided for herein, the Grantor shall certify to the Trustee and the Beneficiary that such substitution or exchange meets the requirements of this Section 4.1. The Trustee shall act on the instruction and certification of the Grantor and shall give the Beneficiary written notice of any substitution made pursuant hereto.

(b) The Grantor shall, at the direction of the Beneficiary, prior to depositing any Assets into the Trust Account, and from time to time as required, execute all assignments and endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other Assets requiring assignment in order that the Trustee, upon direction of the Beneficiary, may whenever necessary negotiate any such Assets without consent or signature from the Grantor or any other entity.

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Section 4.2 Valuation of Assets. The Trustee shall determine the Fair Market Value of any Assets in the Trust Account. In making this determination, the Trustee shall use prices published by a nationally recognized pricing service for Assets for which such prices are available, and for Assets for which such prices are not available, the Trustee shall use methodologies consistent with those which it uses for determining the Fair Market Value of its own assets in the ordinary course of business.

Section 4.3 Quarterly Certification. On each Accounting Date, the Beneficiary shall provide the Grantor (with a copy to the Trustee) a written certification (the "**Quarterly Certification**") stating the Required Balance as of the calendar quarter end. As soon as is practicable, but in no event more than five (5) calendar days following its receipt of the Quarterly Certification, the Grantor shall either (i) countersign such certification and return it to the Beneficiary or (ii) notify the Beneficiary that it objects to the Beneficiary' s calculation of the Required Balance. If the parties are unable to resolve such dispute within ten (10) Business Days of the Grantor' s transmittal to the Beneficiary of its notice of objection, such dispute shall be resolved by a Third Party Actuary and the parties shall be bound by the Third Party Actuary' s determination of the Required Balance. The Beneficiary shall permit the Grantor to audit its records in accordance with Section 6.1 of the Retrocession Agreement in order to determine the Beneficiary' s compliance with this Section 4.3.

ARTICLE V

RELEASE OF TRUST ACCOUNT ASSETS

Section 5.1 Release of Trust Account Assets to the Beneficiary.

(a) Assets may be withdrawn by the Beneficiary, and utilized and applied by the Beneficiary, or any successor by operation of law of the Beneficiary, including any liquidator or rehabilitator, receiver or conservator of the Beneficiary, without diminution because of insolvency on the part of the Beneficiary or the Grantor, to pay or reimburse the Beneficiary for any undisputed amounts due and payable to the Beneficiary under the terms and conditions of the Retrocession Agreement, and unpaid by both BHLN pursuant to the Retrocession Agreement and NICO following a claim under the Surety Policy.

(b) Notwithstanding the foregoing, the Beneficiary shall withdraw Assets under Section 5.1(a) only if there are no remaining funds in the Claims Paying Account.

(c) (i) In order to withdraw assets from the Trust Account, the Beneficiary shall present a written notice to the Trustee and the Grantor in the form as attached hereto as Appendix B (a "**Beneficiary Withdrawal Notice**") which shall include a certification by the Beneficiary to the Trustee and the Grantor that the requirements of Section 5.1 are satisfied, signed by a duly authorized officer of the Beneficiary. The Beneficiary Withdrawal Notice shall specify the Assets to be withdrawn and an instruction to the Trustee as to how such specified Assets shall be delivered. The Beneficiary may from time to time designate a third party in a Beneficiary Withdrawal Notice to whom all or part of the Assets specified therein shall be delivered. The Trustee shall have no liability or responsibility to verify or determine the occurrence of any event or condition giving rise to the Beneficiary' s right to withdraw Assets from the Trust Account and the Trustee shall be fully protected in relying conclusively on the Beneficiary Withdrawal Notice.

(ii) The occurrence of one of the following four events subsequent to the Beneficiary giving the Beneficiary Withdrawal Notice shall be a condition of withdrawal of Assets by the Beneficiary in accordance with Section 5.1(a):

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(1) five (5) Business Days shall have elapsed from and including the date on which the Trustee originally received a copy of the Beneficiary Withdrawal Notice, and the Trustee shall not have received any notice, given as provided in Section 8.1 hereof, from the Grantor disputing the amount requested for withdrawal by the Beneficiary in the Beneficiary Withdrawal Notice;

(2) the Trustee shall have received a certificate signed by the Beneficiary and the Grantor fixing and determining the amount of Assets, if any, the Beneficiary may withdraw from the Trust Account;

(3) the Trustee shall have received a certificate from the Beneficiary certifying that a non-appealable order of a court of applicable jurisdiction has been entered specifying the amount of Assets which the Beneficiary may withdraw from the Trust Account, with a copy of such order attached; or

(4) the Trustee shall have received, in the manner provided in Section 8.1 hereof, other written confirmation from the Grantor permitting the withdrawal requested in the Beneficiary Withdrawal Notice.

Section 5.2 Release of Trust Account Assets to the Grantor.

(a) The Grantor agrees that all proceeds from the sale or substitution of the Assets in the Trust Account and the collection of interest, dividends and other income in respect to the Assets in the Trust Account shall be retained in the Trust Account and shall not be released to the Grantor, except in accordance with the provisions set forth in subparagraph (b) of this Section 5.2.

(b) The Grantor may withdraw Assets only if the aggregate Fair Market Value of the Eligible Assets in the Trust Account at the end of any calendar quarter exceeds the Required Balance, as determined on the applicable Accounting Date, and then only in an amount not to exceed such excess.

(c) (i) In order to withdraw assets from the Trust Account, the Grantor shall present a written notice to the Trustee and the Beneficiary in the form as attached hereto as Appendix C (a "**Grantor Withdrawal Notice**") which shall include a certification by the Grantor to the Trustee and the Beneficiary that the requirements of Section 5.2 are satisfied, signed by a duly authorized officer of the Grantor. The Grantor Withdrawal Notice shall specify the Assets to be withdrawn and an instruction to the Trustee as to how such specified Assets shall be delivered. The Grantor may from time to time designate a third party (the "**Grantor Designee**") in a Grantor Withdrawal Notice to whom all or part of the Assets specified therein shall be delivered. Unless otherwise notified to the Trustee by NICO, NICO shall conclusively be designated as the Grantor Designee. The Trustee shall have no liability or responsibility to verify or determine the occurrence of any event or condition giving rise to the Grantor' s right to

withdraw Assets from the Trust Account and the Trustee shall be fully protected in relying conclusively on the Grantor Withdrawal Notice.

(ii) The occurrence of one of the following four events subsequent to the Grantor giving the Grantor Withdrawal Notice shall be a condition of withdrawal of Assets by the Grantor in accordance with Section 5.2(b):

(1) five (5) Business Days shall have elapsed from and including the date on which the Trustee originally received a copy of the Grantor Withdrawal Notice, and the Trustee shall not have received any notice, given as provided in Section 8.1 hereof, from the Beneficiary disputing the amount requested for withdrawal by the Grantor in the Grantor Withdrawal Notice;

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(2) the Trustee shall have received a certificate signed by the Grantor and the Beneficiary fixing and determining the amount of Assets, if any, the Grantor may withdraw from the Trust Account;

(3) the Trustee shall have received a certificate from the Grantor certifying that a non-appealable award from an arbitration panel has been entered specifying the amount of Assets which the Grantor may withdraw from the Trust Account, with a copy of such arbitration award attached; or

(4) the Trustee shall have received, in the manner provided in Section 8.1 hereof, other written confirmation from the Beneficiary permitting the withdrawal requested in the Grantor Withdrawal Notice.

ARTICLE VI

DUTIES OF THE TRUSTEE

Section 6.1 Collection of Interest and Dividends; Voting Rights. The Trustee is hereby authorized, without prior notice to the Grantor or the Beneficiary, to demand payment of and collect all interest or dividends on the Assets comprising the Trust Account if any. All payments of interest, dividends and other income in respect to Assets in the Trust Account shall be deposited promptly upon receipt by the Trustee into the Trust Account. Subject to the other provisions of this Trust Agreement, the Grantor shall have the full and unqualified right to direct the Trustee to vote, and to execute consents, bond powers, stock powers, mortgage and title instruments and other instruments of transfer, pledge and release with respect to any Assets comprising the Trust Account.

Section 6.2 Obligations of the Trustee. The Trustee agrees to hold and disburse the various Assets of the Trust Account in accordance with the provisions expressed herein.

Section 6.3 Responsibilities of the Trustee.

(a) The Trustee, in the administration of the Trust Account, is to be bound solely by the express provisions herein, and such further written and signed directions as the appropriate party or parties may, under the conditions herein provided, deliver to the Trustee. The Trustee shall be under no obligation to enforce the Grantor' s obligations under this Trust Agreement, except as otherwise expressly provided or directed pursuant hereto. The Trustee shall be restricted to holding title to, operating and collecting the Assets comprising the Trust Account and the payment and distribution thereof for the purposes set forth in this Trust Agreement and to the conservation and protection of such Assets and the administration thereof in accordance with the provisions of this Trust Agreement, and the Trustee shall be liable only for its own negligence, willful misconduct or lack of good faith and for the breach of the Trustee' s obligations under this Trust Agreement; provided, however, that any actions taken in strict accordance with written instructions provided to the Trustee from the parties hereto will not constitute a breach of the Trustee' s obligations under this Trust Agreement. Upon request of the Grantor or the Beneficiary, the Trustee further agrees promptly to forward to such party a statement and valuation of all Assets held in the Trust Account. The Trustee may rely on the instructions provided to it by either BHLN or NICO as the instructions of the Grantor.

(b) Subject to the other provisions of this Trust Agreement, including the requirement that only Eligible Assets may be held in the Trust Account, and provisions relating to the substitution of Assets, (i) the Grantor shall have the irrevocable authority and sole power to direct the Trustee, in the Grantor' s sole discretion, with respect to all aspects of the management or investment of the Assets contained in the Trust Account, including, but not limited to, directing the Trustee to enter into one or more investment management, advisory, custodial, depository or other agreements of form and substance specified by the Grantor, with any other person, including any affiliate of the Grantor, selected by the Grantor and (ii) the Trustee and the Beneficiary each acknowledges that it has no authority with respect to such management or investment activities, the Trustee agrees it will not exercise any discretion or

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take any action with respect to the matters in clause (i) above and the Trustee will take any actions related thereto as directed by the Grantor in accordance therewith. Any investment direction given to the Trustee by the Grantor or its investment advisor shall constitute a certification to the Trustee that the assets to be purchased pursuant to such directions are Eligible Assets. The Trustee shall be under no duty or responsibility to confirm that such investments constitute or continue to be Eligible Assets.

Section 6.4 Books and Records. The Trustee shall keep full and complete records of the administration of the Trust Account. The Grantor and the Beneficiary may examine such records, upon reasonable notice to the Trustee, at any time during business hours through any person or persons duly authorized in writing by Grantor or the Beneficiary, at the requesting party's expense.

Section 6.5 Activity Reports. The Trustee agrees to provide an activity report to the Beneficiary and the Grantor upon creation of the Trust Account and within five (5) calendar days following receipt of each Quarterly Certification from the Beneficiary, which report shall, in reasonable detail, show (i) all deposits, withdrawals and substitutions during such quarter; (ii) a listing of securities and other Assets held and cash balances in the Trust Account as of the last

day of such quarter and (iii) the Fair Market Value (determined in accordance with Section 4.2) of each Asset held in the Trust Account (other than cash) and the amount of cash held in the Trust Account as of the last day of such quarter. The Trustee agrees to provide written notification to the Grantor and the Beneficiary within five (5) calendar days of any deposits to or withdrawals from the Trust Account.

Section 6.6 Resignation or Removal of the Trustee; Appointment of Successor Trustee.

(a) The Trustee may at any time resign as Trustee and terminate its capacity hereunder by delivery of written notice of resignation, effective not less than ninety (90) calendar days after receipt by both the Beneficiary and the Grantor. The Trustee may be removed by the Grantor by (i) delivery to the Trustee and the Beneficiary of a written notice of removal, effective not less than ninety (90) calendar days after receipt by the Trustee and the Beneficiary of the notice and (ii) receipt of the Beneficiary's consent to such action, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no such resignation by the Trustee or removal by the Grantor shall be effective until a successor to the Trustee shall have been duly appointed by the Grantor and approved by the Beneficiary and all the securities and other Assets in the Trust Account have been duly transferred to such successor. The Grantor, upon receipt of such notice of resignation, shall undertake to obtain the agreement of a qualified, successor depository, agreeable to the Beneficiary, to act as a successor Trustee in accordance with all agreements of the Trustee herein and upon duly qualifying to act as such pursuant to Section 6.6(b). The Beneficiary agrees not to withhold unreasonably approval of such Trustee. Upon the Trustee's delivery of the Assets to the qualified, successor depository, along with a closing statement showing all activities from the last quarterly report, the Trustee shall be discharged of further responsibilities hereunder, subject to any remaining obligations under Sections 6.3 and 6.6(b).

(b) Any successor Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and shall deliver the same to the Grantor and to the then acting Trustee. Thereupon such successor Trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts and duties of its predecessor in the Trust with like effect as if originally named herein; but the predecessor Trustee shall nevertheless, when requested in writing by the successor Trustee, execute an instrument or instruments conveying and transferring to the Trustee upon the Trust herein all the estates, properties, rights, powers and trusts of such predecessor Trustee, and shall duly assign, transfer and deliver to the Trustee all property and money held by such predecessor hereunder. The predecessor Trustee shall be entitled to reimbursement in accordance with Section 6.9 for all expenses it incurs in connection with the settlement of its accounts and the transfer and delivery of the Trust Assets to its successor. The predecessor Trustee shall continue to be indemnified by reason of such entity being or having been a Trustee in accordance with Section 6.8.

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Section 6.7 Release of Information. The Trustee shall promptly respond to any and all reasonable requests for information concerning the Trust Account or the Assets held therein by any of the parties to this Trust Agreement. Furthermore, the Trustee shall fully and completely respond to any direct inquiries of any applicable regulatory authority with jurisdiction over the Grantor or any of the Beneficiary concerning the Trust Account or the

Assets held hereunder, including detailed inventories of securities or funds, and the Trustee shall permit such regulatory authority to examine and audit all securities or funds held hereunder. The Trustee shall promptly provide notice to the Beneficiary and the Grantor concerning all such inquiries, and shall provide seven (7) calendar days' prior notice to the Beneficiary and the Grantor of all such examinations and audits.

Section 6.8 Indemnification of the Trustee. The Grantor shall indemnify, defend and hold the Trustee (and its directors, officers and employees) harmless from and against any loss, liability, damage, cost and expense of any nature arising out of or in connection with this Trust Agreement or with the performance of its duties hereunder, including, among other things, reasonable attorneys' fees and court costs, except to the extent such loss, liability, damage, cost and expense shall be caused by the Trustee's negligence, willful misconduct or lack of good faith. Whenever an action by the Trustee is authorized by written signed direction pursuant to the provisions of this Trust Agreement and such action is taken strictly in accordance with such written and signed direction by the appropriate party or parties, the party or parties authorizing such action hereby agree to indemnify the Trustee against all losses, damages, costs and expenses, including reasonable attorneys' fee, resulting from any action so taken by the Trustee. The provisions of this paragraph shall survive the termination of this Trust Agreement and the resignation or removal of the Trustee for any reason.

Section 6.9 Charges of the Trustee. The Grantor agrees to pay all reasonable costs or fees charged by the Trustee for acting as the Trustee pursuant to this Trust Agreement, as agreed between the Grantor and the Trustee, including fees incurred by the Trustee for legal services deemed reasonably necessary by the Trustee as a result of the Trustee's so acting; provided, however, that no such costs, fees or expenses shall be paid out of the Assets held in or credited to the Trust Account.

Section 6.10 Limitations of the Trustee. The Trustee shall in no way be responsible for determining the amount of Assets required to be deposited, or monitoring whether or not the Assets held within the Trust Account are Eligible Assets. The Trustee shall be under no liability for any release of Assets made by it to the Grantor in accordance with Article V.

Section 6.11 Additional Rights of the Trustee.

(a) No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(b) The Trustee shall be entitled to rely on advice of or on an opinion of counsel concerning all matters of trust and its duty hereunder and shall not be liable for any action taken or not taken by it in reliance on such advice or on such opinion of counsel.

(c) The Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution notice, request, consent, certificate, order, entitlement order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or sent by the proper

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person or persons. The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, notice, consent, request, certificate, order, entitlement order, affidavit, letter, telegram, facsimile transmission, electronic mail or other paper or document.

(d) The permissive right of the Trustee to take action enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence, willful misconduct or lack of good faith. In no event shall the Trustee be liable for indirect, special, incidental, punitive or consequential losses or damages, including but not limited to lost profits, whether or not foreseeable, even if the Trustee has been advised of the possibility thereof.

(e) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Assets.

(f) The Trustee shall not be accountable for the use or application by the Grantor or any Beneficiary or any other party of Assets which the Trustee has released in accordance with the terms of this Trust Agreement.

(g) The Trustee makes no representations as to the validity or sufficiency of the Assets and the Trust Account for any particular purpose and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations assigned to or imposed upon it as provided herein.

(h) The Trustee shall not be responsible for the perfection, priority or enforceability of any lien or security interest in any of the Assets or in the Trust Account.

(i) In accepting the trust hereby created, the Trustee acts solely as trustee and not in its individual capacity, and all persons having any claim against the Trustee arising from this Trust Agreement, shall look only to the Assets held by the Trustee hereunder for payment except as otherwise provided herein.

(j) The Trustee shall not be considered in breach of or in default in its obligations hereunder in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control (including, but not limited to, any act or provision of any present or future law or regulation or Governmental Authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or other wire or communication facility) or without its willful misconduct, negligence or lack of good faith.

ARTICLE VII

TERMINATION

Section 7.1 Termination. This Trust Agreement may be terminated only upon joint written notice by the Grantor and the Beneficiary to the Trustee. The Beneficiary shall consent to the termination of this Trust Agreement if the Grantor seeks to terminate this Trust Agreement as a result of the exhaustion of the Aggregate Limit.

Section 7.2 Disposition of Assets Upon Termination. Upon a termination pursuant to this Article VII, the Trustee shall distribute all Assets held and deposited under this Trust Agreement to the Grantor and shall take any and all steps necessary to transfer absolutely and unequivocally all right, title and interest in such Assets and to deliver physical custody, if applicable, in such Assets to the Grantor or as otherwise directed by the Grantor.

ARTICLE VIII

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GENERAL PROVISIONS

Section 8.1 Notices. Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any party under this Trust Agreement shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by registered or certified mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if sent by facsimile transmission, on written confirmation of receipt, or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following addresses:

If to the Trustee:

Wells Fargo Bank, National Association
[•]
[•]
Attention: [•]
Fax: [•]

with a copy (which shall not constitute notice) to:

[•]
[•]
[•]
Attention: [•]
Fax: [•]

If to the Grantor:

Berkshire Hathaway Reinsurance Group
100 First Stamford Place
Stamford, CT 06902
Attention: Stephen McArthur
Telephone: (416) 263-7576
Fax: (203) 363-5221
Email: StephenMcArthur@bhlifere.com

with a copy (which shall not constitute notice) to:

Berkshire Hathaway Reinsurance Division
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover
Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

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If to the Beneficiary:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mark Parsons
Senior Vice President
Telephone: (860) 226-8350
Fax: (860) 226-4074
Email: Mark.Parsons@Cigna.com

with copies (which shall not constitute notice) to:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mary Carey
Senior Counsel
Telephone: (860) 226-9824
Fax: (860) 226-8942
Email: Mary.Carey@Cigna.com

and

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: Robert J. Sullivan
J. Stephanie Nam
Telephone: (212) 735-3000
Fax: (917) 777-2930
Email: Robert.Sullivan@skadden.com
Stephanie.Nam@skadden.com

Each party to this Trust Agreement may change its notice provisions on fifteen (15) calendar days' advance notice in writing to the other parties to this Trust Agreement.

Section 8.2 Entire Agreement. Subject to the provisions of Section 6.3(a), this Trust Agreement, including Appendix A hereto, and solely as between the Beneficiary and the Grantor, the Retrocession Agreement and any other documents delivered pursuant hereto or thereto, constitute the entire agreement among the parties hereto and their respective affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the parties hereto with respect to the subject matter hereof and thereof.

Section 8.3 Waiver and Amendment. This Trust Agreement and the Trust created hereunder shall be irrevocable, subject solely to the termination provisions set forth herein. The Grantor shall have no right or power in any capacity to revoke,

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terminate or, except as provided in Section 2.1, alter or amend any terms of this Trust Agreement, in whole or in part, without the prior written consent of the Beneficiary and the Trustee. Notwithstanding the foregoing, this Trust Agreement may be altered, amended or terminated at any time by written agreement executed by each party hereto. The Beneficiary' s failure at any time to exercise any of the rights or powers conferred upon them herein shall constitute neither a waiver of their right to exercise, nor stop them from exercising, any rights at any subsequent time, nor shall such failure reduce in any degree any liability or obligation for which the Grantor is bound hereunder.

Section 8.4 Successors and Assigns. The rights and obligations of a party under this Trust Agreement shall not be subject to assignment without the prior written consent of the other parties hereto, and any attempted assignment without the prior written consent of the other parties hereto shall be invalid *ab initio*. The terms of this Trust Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the parties hereto. Notwithstanding the foregoing, any corporation or association into which the Trustee may be merged or converted, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Trustee without the execution or filing of any paper or further act.

Section 8.5 Headings. The headings of this Trust Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 8.6 Governing Law and Jurisdiction. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of New York. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (INCLUDING ITS APPELLATE DIVISION), OR IN ANY APPELLATE COURT IN THE STATE OF NEW YORK, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS TRUST AGREEMENT; PROVIDED, HOWEVER, THAT, IF SAID COURT DETERMINES THAT IT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THEN SAID ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL ADDRESSED TO SUCH PARTY SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST SUCH PARTY IN ANY SUCH COURT. EACH

PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO AGREES THAT FINAL, NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON SUCH PARTY AND MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION OVER SUCH PARTY OR ANY OF ITS ASSETS. EACH PARTY AGREES TO WAIVE ANY REQUIREMENT FOR THE POSTING OF A BOND OR FOR THE POSTING OF ANY SECURITY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

Section 8.7 No Third Party Beneficiaries. Nothing in this Trust Agreement is intended or shall be construed to give any person, other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any provision contained herein.

Section 8.8 Counterparts. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties hereto are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of

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the parties hereto. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

Section 8.9 Severability. Any term or provision of this Trust Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Trust Agreement or affecting the validity or enforceability of any of the terms or provisions of this Trust Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. If any provision of this Trust Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Trust Agreement, the parties hereto shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the parties hereto as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

Section 8.10 Specific Performance. Each of the parties hereto acknowledges and agrees that the other parties hereto would be irreparably damaged in the event that any of the provisions of this Trust Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached, violated or unfulfilled. Accordingly, each of the parties hereto agrees that the other parties hereto shall be entitled to an injunction or injunctions to prevent noncompliance with, or breaches or violations of, the provisions of this Trust

Agreement by the other parties hereto and to enforce specifically this Trust Agreement and the terms and provisions hereof in any action instituted in accordance with Section 8.6, in addition to any other remedy to which such party may be entitled, at law or in equity. In the event that any action is brought in equity to enforce the provisions of this Trust Agreement, no party hereto will allege, and each party hereto hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties hereto further agree that (i) by seeking the remedies provided for in this Section 8.10, a party hereto shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Trust Agreement, including monetary damages in the event that this Trust Agreement has been terminated or in the event that the remedies provided for in this Section 8.10 are not available or otherwise are not granted and (ii) nothing contained in this Section 8.10 shall require any party hereto to institute any action for (or limit any party' s right to institute any action for) specific performance under this Section 8.10 before exercising any termination right under Article VII, nor shall the commencement of any action pursuant to this Section 8.10 or anything contained in this Section 8.10 restrict or limit any party' s right to terminate this Trust Agreement in accordance with the terms of Article VII or pursue any other remedies under this Trust Agreement that may be available then or thereafter.

Section 8.11 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS TRUST AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS TRUST AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS TRUST AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS TRUST AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.11.

Section 8.12 Incontestability. In consideration of the mutual covenants and agreements contained herein, each party hereto does hereby agree that this Trust Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each party hereto does hereby agree that it shall not contest in any respect the validity or enforceability hereof.

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Section 8.13 Set-Off. Any debts or credits, matured or unmatured, liquidated or unliquidated, regardless of when they arose or were incurred, in favor of or against any of the Beneficiary or the Grantor with respect to this Trust Agreement are deemed mutual debts or credits, as the case may be, and shall be set off, and only the net balance shall be allowed or paid.

Section 8.14 Currency. All financial data required to be provided pursuant to the terms of this Trust Agreement shall be expressed in United States dollars. All payments and all settlements of account between the parties hereto shall be in United States currency unless otherwise agreed by the parties hereto.

IN WITNESS WHEREOF, this Trust Agreement is executed by the parties' duly authorized officers on the dates indicated below with an effective date of: .

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
as Beneficiary

By: ______________________________
Name: Mark Parsons
Title: Senior Vice President

[Signatures Continue onto Next Page]

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA,
as Grantor

By: ______________________________
Name:
Title:

NATIONAL INDEMNITY COMPANY,
as Grantor

By: ______________________________
Name:
Title:

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[Signatures Continue onto Next Page]

Trust Agreement Signature Page

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: ____________________________
Name:
Title:

Trust Agreement Signature Page

Appendix A

TRUST PROVISIONS FOLLOWING A REINSURANCE CREDIT EVENT

In accordance with Article II of this Trust Agreement, upon the occurrence of a Reinsurance Credit Event, the provisions set forth in this Appendix A shall automatically replace the provisions of the equivalent Sections in this Trust Agreement and become effective.

Section 3.1 Continuing Obligation of the Grantor.

(a) The segregated trust account maintained by the Trustee with account number [•] (which shall be hereinafter referred to, including all successor accounts thereto, as the "**Trust Account**") shall continue in existence upon the occurrence of a Reinsurance Credit Event with the substitution of Assets as required under Section 2.1(b) of this Trust Agreement.

(b) The Grantor shall ensure that the Trust Account shall hold RCE Eligible Assets at all times with a Fair Market Value of no less than the RCE Funding Amount, as determined in accordance with Section 4.2 of this Trust Agreement.

Section 3.3 Purpose of the Trust. The Assets in the Trust Account shall be held by the Trustee for the sole benefit of the Beneficiary. The Grantor grants to the Trustee all trust powers necessary and reasonable in the performance of its duties hereunder except as otherwise expressly provided herein.

Section 4.1 (a) Substitution of Trust Account Assets. Upon receipt of the prior written consent of the Beneficiary, such consent not to be unreasonably withheld, the Grantor may, from time to time, substitute or exchange Assets contained in the Trust Account, provided, however, (i) the Assets so substituted or exchanged (the "**Replacement Assets**") must be RCE Eligible Assets, (ii) the Replacement Assets must be deposited in the Trust Account on the day of the substitution or exchange and (iii) the aggregate Fair Market Value of the Replacement Assets must be at least equal to the aggregate Fair Market Value of the Assets being removed from the Trust Account. Upon any substitution or exchange as provided for herein, the Grantor shall certify to the Trustee and Beneficiary that such substitution or exchange meets the requirements of this Section 4.1. The Trustee shall act on the instruction and certification of the Grantor and shall give the Beneficiary prompt written notice of any substitution made pursuant hereto.

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Section 4.3 Quarterly Certification. On each Accounting Date, the Beneficiary shall provide the Grantor (with a copy to the Trustee) a written certification (the "**Quarterly Certification**") stating the RCE Funding Amount as of the calendar quarter end and the aggregate Fair Market Value of the RCE Eligible Assets held in the Trust Account as of the calendar quarter end (both on an asset-by-asset basis and a cumulative basis). As soon as is practicable, but in no event more than five (5) calendar days following its receipt of the Quarterly Certification, the Grantor shall either (i) countersign such certification and return it to the Beneficiary or (ii) notify the Beneficiary that it objects to the Beneficiary' s calculation of the Required Balance or the Beneficiary' s valuation of any Asset. If the parties are unable to resolve such dispute within ten (10) Business Days of the Grantor' s transmittal to the Beneficiary of its

notice of objection, and the dispute relates to the valuation of an Asset, the value of such Asset shall be determined by a Third Party Appraiser and the parties shall be bound by such valuation. All other disputes shall be resolved in accordance with Section 8.6 of this Trust Agreement. The Beneficiary shall permit the Grantor to audit its records in accordance with Section 6.1 of the Retrocession Agreement in order to determine the Beneficiary' s compliance with this Section 4.3.

Section 5.1 Release of Trust Account Assets to the Beneficiary.

(a) Notwithstanding anything in this Trust Agreement to the contrary, the Beneficiary shall have the right to withdraw Assets from the Trust Account at any time, without notice to the Grantor, subject only to written notice to the Trustee from the Beneficiary given in accordance with Section 8.1 of this Trust Agreement. Other than such notice, no other statement or document need be presented by the Beneficiary to withdraw such Assets except that the Beneficiary shall acknowledge to the Trustee receipt of such withdrawn Assets. Upon such written notice of demand of the Beneficiary, the Trustee shall immediately take any and all steps necessary to transfer absolutely and unequivocally all right, title and interest in the Assets to the Beneficiary and, to the extent applicable, deliver physical custody of such Assets to the Beneficiary. Upon such transfer, Trustee shall promptly forward a copy of such notice to the Grantor. The Trustee shall not be subject to any liability for any payment made by it to the Beneficiary pursuant to such written demand by the Beneficiary.

(b) The Grantor and the Beneficiary agree that the Assets from the Trust Account may only be withdrawn by the Beneficiary, and utilized and applied by the Beneficiary, or any successor by operation of law of the Beneficiary including any liquidator or rehabilitator, receiver or conservator of the Beneficiary, without diminution because of insolvency on the part of the Grantor, for one or more of the following purposes:

(i) to pay for the Grantor' s share of premiums returned to policyholders or ceding companies of the Covered Contracts because of cancellations of such contracts to the extent same constitute Ultimate Net Loss;

(ii) to pay for the Grantor' s share of surrenders and benefits or losses pursuant to the provisions of the Covered Contracts to the extent same constitute Ultimate Net Loss;

(iii) where the Beneficiary has received notification of the termination of the Trust Account and such termination is being attempted without the consent of the Beneficiary, and where the Grantor' s entire obligations under the Retrocession Agreement remain unliquidated and undischarged ten (10) calendar days prior to the termination date, to fund an account with the Beneficiary in an amount at least equal to the deduction, for reinsurance ceded, from the Beneficiary' s liabilities for the Covered Liabilities; and

(iv) to pay any other amounts the Beneficiary claims are due under the Retrocession Agreement.

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Section 5.2 Release of Trust Account Assets to the Grantor. Subject to receipt of the Beneficiary' s prior written instructions, the Trustee may, from time to time, release to the

Grantor Assets with an aggregate Fair Market Value equal to the amount that exceeds 102% of the RCE Funding Amount as of the prior calendar quarter end. In connection with any such release of Assets, the Trustee shall take any and all necessary steps to transfer absolutely and unequivocally all right, title and interest in such released Assets to the Grantor or its designee. Unless otherwise notified to the Trustee by NICO, NICO shall be deemed to be the designee of the Grantor and all amounts otherwise distributable to the Grantor shall be distributed to NICO. The Trustee shall not be subject to any liability for any payment made by it to the Grantor pursuant to such written instructions received by it from the Beneficiary.

Section 5.3 Adjustment of Trust Account Assets.

(a) The RCE Funding Amount as of the end of each calendar quarter shall be certified to the Trustee by the Beneficiary in the manner set forth in Section 4.3 hereof.

(b) If the aggregate Fair Market Value of the RCE Eligible Assets maintained in the Trust Account as of any calendar quarter end is less than the RCE Funding Amount as of such calendar quarter end, then within five (5) calendar days of its receipt of the certification set forth in Section 4.3, the Grantor shall deposit into the Trust Account such additional Assets with an aggregate Fair Market Value as are necessary to ensure that the aggregate Fair Market Value of the RCE Eligible Assets held in the Trust Account is no less than the RCE Funding Amount as of the immediately prior calendar quarter end.

Section 6.3 Responsibilities of the Trustee.

(a) The Trustee, in the administration of the Trust Account, is to be bound solely by the express provisions herein, and such further written and signed directions as the appropriate party or parties may, under the conditions herein provided, deliver to the Trustee. The Trustee shall be under no obligation to enforce the Grantor' s obligations under this Trust Agreement, except as otherwise expressly provided or directed pursuant hereto. The Trustee shall be restricted to holding title to, operating and collecting the Assets comprising the Trust Account and the payment and distribution thereof for the purposes set forth in this Trust Agreement and to the conservation and protection of such Assets and the administration thereof in accordance with the provisions of this Trust Agreement, and the Trustee shall be liable only for its own negligence, willful misconduct or lack of good faith. The Trustee further agrees to forward upon request of the Beneficiary, the Grantor or any Insurance Commissioner a statement and valuation of all Assets held under this Trust Agreement. The Trustee may rely on the instructions provided to it by either BHLN or NICO as the instructions of the Grantor.

(b) Subject to the other provisions of this Trust Agreement, including the requirements that only RCE Eligible Assets may be held in the Trust Account and provisions relating to the substitution of Assets, (i) the Grantor shall have the irrevocable authority and sole power to direct the Trustee, in the Grantor' s sole discretion, with respect to all aspects of the management or investment of the Assets contained in the Trust Account, including, but not limited to, directing the Trustee to enter into one or more investment management, advisory, custodial, depository or other agreements of form and substance specified by the Grantor, with any other person, including any affiliate of the Grantor, selected by the Grantor and (ii) the Trustee and the Beneficiary each acknowledges that it has no authority with respect to such

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management or investment activities, the Trustee agrees it will not exercise any discretion or take any action with respect to the matters in clause (i) above and will take any actions related thereto as directed by the Grantor in accordance therewith. Any investment direction given to the Trustee by the Grantor or its investment advisor shall constitute a certification to the Trustee that the assets to be purchased pursuant to such directions are Eligible Assets. The Trustee shall be under no duty or responsibility to confirm that such investments constitute or continue to be Eligible Assets.

Section 6.4 Books and Records. The Trustee shall keep full and complete records of the administration of the Trust Account. The Grantor, the Beneficiary and/or the Insurance Commissioner may examine such records, upon reasonable notice to the Trustee, at any time during business hours through any person or persons duly authorized in writing by Grantor, the Beneficiary and/or the Insurance Commissioner, at the requesting party' s expense.

Section 6.7 Release of Information. The Trustee shall promptly respond to any and all reasonable requests for information concerning the Trust Account or the Assets held therein by any of the parties to this Trust Agreement. Furthermore, the Trustee shall fully and completely respond to any direct inquiries of the Insurance Commissioner, or any of its representatives, concerning the Trust Account or the Assets held hereunder, including, detailed inventories of securities or funds, and the Trustee shall permit the Insurance Commissioner, or its representatives, to examine and audit all securities or funds held hereunder. The Trustee shall promptly provide notice to the Beneficiary and the Grantor concerning all such inquiries, and shall provide seven (7) calendar days prior notice to the Beneficiary and the Grantor of all such examinations and audits.

Section 6.10 Limitations of the Trustee. The Trustee shall in no way be responsible for determining the amount of Assets required to be deposited, or monitoring whether or not the Assets held within the Trust Account are RCE Eligible Assets. The Trustee shall be under no liability for any release of Assets made by it to the Grantor in accordance with this Article V.

Section 8.2 Construction and Effect. This Trust Agreement and the enforceability hereof shall not be subject to the satisfaction of any conditions or qualifications not expressly included herein.

Appendix B

Beneficiary Withdrawal Notice

[To Come]

Appendix C

Grantor Withdrawal Notice

[To Come]

NATIONAL INDEMNITY COMPANY

SURETY POLICY

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Agreement No.: RA-4086

Effective Date: February 4, 2013

ARTICLE 1 – OBLIGATIONS

Section 1.1. Obligations Defined.

NATIONAL INDEMNITY COMPANY ("**Surety**"), for an agreed Premium, which has been paid by Berkshire Hathaway Life Insurance Company of Nebraska ("**BHLN**"), and of which Surety acknowledges receipt, hereby absolutely and irrevocably agrees, subject to the terms of this surety policy (the "**Surety Policy**"), to:

(A) unconditionally guarantee to Connecticut General Life Insurance Company and its successors and assigns ("**CGLIC**") the due and punctual payment, in accordance with the terms hereof, of amounts (whether present or future, actual or contingent) directly or indirectly owing to CGLIC by BHLN in satisfaction of all obligations of BHLN under and pursuant to the terms of that (i) certain Retrocession Agreement, dated February 4, 2013, between CGLIC and BHLN (the "**Retrocession Agreement**"), or (ii) the Trust Agreement, to be entered into as soon as practicable after the date hereof, among CGLIC, BHLN, Surety and Wells Fargo Bank, National Association (the "**Trustee**"), in the form attached hereto as Exhibit A with such changes as may be required by the Trustee (the "**Trust Agreement**", and together with the Retrocession Agreement, the "**Contracts**");

(B) timely perform, in accordance with Sections 1.3 and 1.5 hereof, the financial and funding obligations of BHLN under and pursuant to the terms of the Contracts, which include the obligation to fund the Claims Paying Account as and when required pursuant to the applicable terms of the Retrocession Agreement, to indemnify CGLIC upon any breach or non-performance of a covenant, or to deposit RCE Eligible Assets into the Trust Account upon the occurrence of a Reinsurance Credit Event (the obligations described in Sections 1.1(A) and (B) collectively, the "**BHLN Obligations**");

(C) indemnify and hold harmless CGLIC for and against any loss, cost, expense or damage incurred by CGLIC as a result of any BHLN Obligation being unsatisfied in whole or in part for any reason, including by reason of (i) BHLN' s failure to

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perform under or pursuant to the terms of the Contracts, (ii) illegality, incapacity, lack or exceeding of powers or ineffectiveness of execution, or (iii) one or more of the Contracts (a) being, when any such BHLN Obligation was incurred, or (b) becoming, after any such BHLN Obligation was incurred, void, voidable or unenforceable for any reason whatsoever, in either case, whether or not CGLIC knew that such Contract was, or was going to become, void, voidable or unenforceable when any such BHLN Obligation was incurred; and

(D) (i) deposit Assets in the Trust Account in accordance with Article X of the Retrocession Agreement and (ii) on and after the occurrence of a Reinsurance Credit Event, deposit additional Assets in the Trust Account with an aggregate fair market value as are necessary to ensure that the aggregate fair market value of the RCE Eligible Assets held in the Trust Account is no less than the RCE Funding Amount as of the immediately prior calendar quarter end (the obligations described in Sections 1.1(C) and (D), together with the BHLN Obligations, collectively, the "**Obligations**").

Section 1.2. Nature of Surety' s Obligations.

(A) CGLIC may, at its sole option, proceed directly against Surety in respect of a BHLN Obligation without first filing an action against BHLN to collect under the applicable Contract; provided that:

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(i) nothing herein shall be deemed to relieve CGLIC of its obligations, if any, to provide notice to BHLN under the Contracts;

(ii) under no circumstance may CGLIC recover in full from both BHLN and Surety for the same Obligation;

(iii) even after satisfaction by Surety of a BHLN Obligation, CGLIC shall cooperate in good faith with BHLN (or Surety, if BHLN is subject to an Insolvency Event) to settle any dispute regarding the Obligations in accordance with the dispute resolution terms of the Retrocession Agreement; and

(iv) if and so long as Surety has complied with its obligations pursuant to Section 1.1(C), CGLIC may proceed against Surety only if there are no remaining funds in the Claims Paying Account.

(B) As used herein, "Insolvency Event" means the commencement of any insolvency or delinquency proceeding as defined by Section 44-4803 of the Nebraska Insurance Law, or the commencement of any proceedings by or against BHLN or Surety for the winding up or liquidation of its affairs, or the consent to the appointment of a receiver, liquidator, rehabilitator, or conservator in any insolvency or delinquency proceeding of or relating to BHLN or Surety.

(C) Notwithstanding the provisions herein, if for any reason Surety fails to pay CGLIC for any undisputed BHLIC Obligation in full or in a timely manner,

Surety agrees and acknowledges that CGLIC may, at its option, draw upon the assets in the Trust Account and apply the proceeds thereof to the BHLIC Obligations in accordance with the terms of the Contracts.

(D) In the event that CGLIC is required to repay or return any amount previously paid to it which it is not required to repay or return under the terms and conditions of the applicable Contract, including any requirement to repay or return any amounts previously paid in any subsequent Insolvency Event of BHLN, the payment of which amount is guaranteed hereunder, this Surety Policy shall be reinstated with respect to such amount, in full force and effect as though such payment to CGLIC had not been made.

(E) The Obligations of Surety under this Surety Policy shall (i) be binding upon Surety and its respective successors and permitted assigns, (ii) subject to its terms and conditions, be unconditional, irrevocable, unsubordinated and absolute, and (iii) remain in full force and effect until CGLIC has given notice to BHLN and Surety that the Obligations have been fully discharged.

(F) The liability of Surety under this Surety Policy shall be irrevocable, absolute and unconditional irrespective of, and shall not be discharged or otherwise adversely affected by, and Surety hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to, any of the following:

(i) any change agreed by BHLN and CGLIC in the time, manner or place of payment of, or in any other term of, all or any of the Obligations under or in respect of the Contracts; or

(ii) any change, restructuring or termination of the corporate structure or existence of BHLN or any of its subsidiaries; or

(iii) any intermediate payment, partial settlement of account or discharge in part of the Obligations, except and solely to the extent of any such intermediate payment, partial settlement of account or discharge in part of the Obligations; or

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(iv) any variation, extension, discharge, dealing with, exchange or renewal of any right or remedy which CGLIC may have now or after the date of this Surety Policy against or from BHLN and/or any other person in connection with the Obligations; or

(v) any amendment, variation, novation or supplement of, or to, any of the Obligations; or

(vi) any termination of the Contracts, unless the relevant Contract is terminated in accordance with its terms; or

(vii) any Insolvency Event, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of BHLN or Surety; or

(viii) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from BHLN and Surety or any other person in connection with, the Obligations; or

(ix) any act or omission which would not have discharged or affected the liability of Surety had it been a principal debtor instead of a Surety or by anything done or omitted by any person which but for this provision might operate or exonerate or discharge Surety or otherwise reduce or extinguish its liability under this Surety Policy.

(G) CGLIC acknowledges and agrees that Surety, as a co-grantor with BHLN, is depositing assets in the Trust Account to collateralize its obligations under this Surety Policy and the BHLN Obligations. In order to perform and secure its obligations hereunder and the BHLN Obligations, Surety agrees to deposit assets in the Trust Account in accordance with the requirements in Article X of the Retrocession Agreement.

(H) Except as otherwise provided in Section 1.2(A)(i) of this Surety Policy, Surety hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Surety Policy and any requirement that CGLIC protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or take any action against BHLN or any other person or any collateral.

(I) Surety hereby unconditionally and irrevocably waives any right to revoke this Surety Policy and acknowledges that this Surety Policy is continuing in nature and applies to all Obligations, whether existing now or in the future.

(J) Subject to Section 1.2(C): (A) notwithstanding anything contained herein to the contrary, nothing in this Surety Policy shall preclude Surety from asserting a valid claim or valid defense to the effect that an Obligation has been paid, discharged or satisfied in full in accordance with the terms of the relevant Contract; (B) payment of an Obligation in full by Surety pursuant to this Surety Policy shall be deemed to satisfy BHLN' s obligation to perform or pay such Obligation for any purpose, including under the applicable Contract; and (C) CGLIC shall not be entitled to obtain payment or performance of an Obligation from BHLN under any Contract or withdraw funds from the Trust Account or any replacement or successor thereof or substitution therefor to satisfy an Obligation to the extent that such Obligation has theretofore been paid or performed in full by Surety under this Surety Policy.

Section 1.3. Demand for Payment.

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Notwithstanding anything contained herein to the contrary, CGLIC shall not make any demand for payment hereunder against Surety unless it first notifies Surety, with a copy to BHLN, pursuant to the notification provisions of this Surety Policy, that an Obligation is due and payable to CGLIC under and pursuant to the Contracts and has not been satisfied for any reason, including any reason set forth in Section 1.1(C) of this Surety Policy; provided, however, that the failure of CGLIC to give notice pursuant to this Section 1.3 shall not impair the rights of CGLIC to demand or receive payment hereunder upon providing the notice required under this Section 1.3.

Section 1.4. Surety rights of action against BHLN.

Surety expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, set-off, contribution and any other claim which it may now or hereafter have against BHLN or any other person directly or contingently liable in connection with the Contracts, Obligations or this Surety Policy (collectively the "**Recovery Claims**"), for so long as any of the BHLN Obligations or any of Surety' s obligations under this Surety Policy remain unsatisfied.

Section 1.5. Payment Upon Default.

In the event of a default by either Surety or BHLN in the payment or performance of an Obligation, Surety shall either pay the full amount in default to CGLIC or, in the case of an Obligation requiring performance of a funding or deposit obligation, fund or deposit such amount in the Claims Paying Account or the Trust Account, as applicable, no later than the second Business Day after receipt of the demand by CGLIC in accordance with Section 1.3 of this Surety Policy.

All sums payable by Surety under this Surety Policy shall be paid in full to CGLIC or deposited in the Claims Paying Account or the Trust Account, as applicable, in accordance with, and subject to, the terms and conditions of this Surety Policy:

(A) without any set-off, condition or counterclaim whatsoever except as BHLN would have been authorized to make under the Contracts; and

(B) free and clear of any deductions or withholdings whatsoever except only as may be required by law or regulation which is binding on Surety.

If any deduction or withholding is required by any law or regulation to be made by Surety, the amount of the payment due from Surety shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required; unless such payment would not have had to be grossed up by BHLN under the terms of the Contracts. Surety may require CGLIC to provide copies of all forms to which it is entitled and that are required to be provided by the laws of the United States of America and any applicable State and file any such forms where required by the laws of the United States of America and any applicable State, including forms required by the Internal

Revenue Service, which would allow Surety to make payments without, or which would reduce the amount of, required deductions or withholdings.

Surety shall promptly deliver or procure delivery to BHLN of all receipts issued to it evidencing each deduction or withholding which it has made.

Section 1.6. Consents

Surety agrees that CGLIC may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of Surety, extend the time for payment of or renew any of the Obligations owing to it, and may also make any agreement with

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BHLN for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between CGLIC and BHLN, without impairing or affecting this Surety Policy.

Section 1.7. Remedies Not Exclusive; Waiver.

No remedy herein conferred upon or reserved to CGLIC in this Surety Policy is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Surety Policy or now or hereafter existing at law or in equity. No failure on the part of CGLIC to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 1.8. Discharge of Surety Policy.

Anything contained in this Surety Policy to the contrary notwithstanding, except as provided herein with respect to the expenses incurred in connection with the enforcement hereof, the obligations of Surety hereunder shall be satisfied in full and discharged upon the discharge in full of all the Obligations. Any payment by Surety pursuant to this Surety Policy will, to the extent of such payment, discharge BHLN' s obligations to CGLIC under the applicable Contract.

Notwithstanding the above, if any right, security, disposition or payment is avoided, set aside or ordered to be refunded, subject to Section 1.2(C) CGLIC shall be entitled subsequently to enforce this Surety Policy against the Surety as if such release, discharge or settlement had not occurred and any such security, disposition or payment had not been made.

Section 1.9. Expenses

Surety shall on a full indemnity basis pay to CGLIC on demand the amount of all reasonable costs and expenses (including legal and out-of-pocket expenses and any valued added tax on those costs and expenses) including reasonable attorneys' fees and disbursements, paid by CGLIC in enforcing, preserving or exercising any rights under this Surety Policy; provided that this Section shall only be applicable if Surety is obligated to make a payment under any other provision of this Surety Policy.

ARTICLE 2 - REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations of Surety.

Surety hereby represents and warrants as of the date hereof and each day hereafter during which any of the obligations of Surety hereunder shall remain outstanding that:

(A) it is a corporation duly organized, validly existing and in good standing under the laws of Nebraska, with all licenses and any other corporate power required to execute, deliver and perform its obligations under this Surety Policy;

(B) it has duly authorized this Surety Policy and no approval or other action by any governmental authority is required in connection herewith that has not already been obtained;

(C) this Surety Policy is its legally valid and binding obligation, enforceable against it in accordance with its terms;

(D) neither the making nor the performance of this Surety Policy by it will conflict with, or result in a default under, or violate its charter or bylaws or any indenture, agreement or other instrument to which it is a party or by which it may be bound, or any law, regulation, judgment, decree or order of any court or other governmental authority;

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(E) none of Surety' s assets is entitled to immunity on any ground from any legal action or proceeding;

(F) all necessary corporate action has been duly taken by Surety to authorize execution and delivery of this Surety Policy and the performance of obligations hereunder;

(G) no event or circumstance is outstanding which constitutes a default under any deed or instrument which is binding on Surety, or to which its assets are subject, which might have a material adverse effect on Surety' s ability to perform its obligations under this Surety Policy;

(H) Surety is not required under the law of its jurisdiction of incorporation to (i) file, obtain pre-approval of, record or register this Surety Policy with any court or other authority, including the Nebraska Department of Insurance, or (ii) pay any stamp or other tax on or in relation to this Surety Policy;

(I) this Surety Policy constitutes "insurance," as such term is defined in Section 102 of the Nebraska Insurance Code; and

(J) there are no conditions precedent to the effectiveness and enforceability of this Surety Policy that have not been satisfied or waived.

ARTICLE 3 - MISCELLANEOUS

Section 3.1. Amendment of Surety Policy.

Except as set forth in Section 3.2 hereof, no amendment or waiver of any provision of this Surety Policy shall be effective with respect to the Obligations in any event unless such amendment or waiver shall be in writing and signed by the Surety, BHLN and CGLIC, and any such waiver shall be effective only in the specific instance and for the specific purpose for which such waiver is granted and shall not prevent the party giving it from subsequently relying on the relevant provision.

Section 3.2. Notices.

Any notices or communication required or permitted to be sent pursuant to this Surety Policy shall be sent by first class mail or courier or by electronic facsimile transmission by a device that records automatically the receipt of such transmission as follows:

Surety:

National Indemnity Company
3024 Harney Street
Omaha, NE 68131
Attn: President
Facsimile : 001 402 916 3237

with a copy to BHLN:

Berkshire Hathaway Life Insurance Company of Nebraska
100 First Stamford Place
Stamford, CT 06902 USA

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Attn: General Counsel
Facsimile: 001 203 363 5221

CGLIC:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attn: Mark Parsons
Senior Vice President
Facsimile: (860) 226-4074

Surety, CGLIC or BHLN may each unilaterally amend the address for notices under this Surety Policy on fifteen days advance notice given in accordance with this Section 3.2.

Section 3.3. Headings Not Part of this Surety Policy.

Any headings preceding the text of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Surety Policy, nor shall they affect its meaning, construction or effect.

Section 3.4. Severability.

The invalidity or unenforceability of any one or more provisions in this Surety Policy shall not affect the validity or enforceability of the remaining provisions of this Surety Policy, or any part thereof. If any invalid, unenforceable or legal provision would be valid, enforceable or legal if some part of it were deleted or modified, the provision shall be reformed as necessary to give effect to the commercial intention of the parties.

Section 3.5. Governing Law; Submission to Jurisdiction.

(A) This Surety Policy and all non-contractual obligations arising from or connected with it shall be governed by the laws of the State of New York, without giving effect to principles or rules of conflict of laws.

(B) Surety hereby irrevocably submits to the exclusive jurisdiction of the courts of the United States of America for the Southern District of New York or, in the event that such courts do not have subject matter jurisdiction, in the courts of the State of New York located in the Borough of Manhattan, The City of New York, to settle any dispute arising from or connected with this Surety Policy, including a dispute regarding the existence, validity or termination of this Surety Policy or the consequences of its nullity ("**Dispute**"). The parties agree that such courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(C) Surety irrevocably agrees that the documents which start any Dispute proceedings, and any other documents required to be served in relation to the commencement of such proceedings, may be marked for the attention of President and served on National Indemnity Company, whose registered office is currently at 3024 Harney Street, Omaha, Nebraska, USA 68131. Such documents may, however, be served in any other manner allowed by law.

Section 3.6. No Assignment.

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Surety shall not assign or transfer its obligations under this Surety Policy to any other party without the prior written consent of CGLIC.

Section 3.7. Interpretation.

When a reference is made in this Surety Policy to a Section, such reference shall be to a section of this Surety Policy unless otherwise clearly indicated to the contrary. Whenever the words "include", "includes" or "including" are used in this Surety Policy, they shall be deemed to be followed by the words "without limitation". The words "hereof",

"herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Surety Policy as a whole and not to any particular provision of this Surety Policy. The meaning assigned to each term used in this Surety Policy shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. Capitalized terms used but not defined herein shall have the respective meanings set forth in the Contracts.

Section 3.8. Incontestability.

Surety does hereby agree that this Surety Policy, and each and every provision hereof, is and shall be enforceable by BHLN and CGLIC according to its terms, and Surety does hereby agree that it shall not contest in any respect the validity or enforceability hereof.

Section 3.9. Miscellaneous.

Without prejudice to Section 1.2(F) and to the survival of any of the other agreements of Surety under this Surety Policy, the agreements and obligations of Surety contained in Section 1.2(C), Section 1.9, Section 3.4, Section 3.5, Section 3.7, Section 3.8 and this Section 3.9 shall survive the payment in full of the Obligations under this Surety Policy.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, Surety, intending to be legally bound has caused this Surety Policy to be executed by its duly authorized officer as of the date first written above and delivered to CGLIC; and BHLN and CGLIC have executed this Surety in confirmation and acknowledgement of its terms and conditions by their respective duly authorized officers as of the date first above written.

NATIONAL INDEMNITY COMPANY

By: ______________________________

Name: Brian Snover
Title: Vice President

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA

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By: ______________________________

Name: Michael Lawler
Title: Vice President

[Signatures Continue onto Next Page]

NICO Surety Policy Signature Page

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: ______________________________

Name: Mark Parsons
Title: Senior Vice President

NICO Surety Policy Signature Page

EXECUTION COPY

RETROCESSION AGREEMENT

by and between

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

and

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA

Dated as of February 4, 2013

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RETROCESSION AGREEMENT

THIS RETROCESSION AGREEMENT, dated as of February 4, 2013 (this "**Retrocession Agreement**"), is made and entered into by and between **Connecticut General Life Insurance Company**, a Connecticut life insurance company ("**CGLIC**"), and **Berkshire Hathaway Life Insurance Company of Nebraska**, a Nebraska life insurance company ("**Retrocessionaire**").

WHEREAS, the Parties are entering into this Retrocession Agreement pursuant to that certain Master Transaction Agreement, dated as of February 4, 2013 (the "**Master Transaction Agreement**"), by and among the Parties (as defined below), and **National Indemnity Company**, a Nebraska property and casualty insurance company, solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, 6.6 and 6.9 and Articles II, V, VII and VIII thereof ("**NICO**");

NOW, THEREFORE, in consideration of the mutual and several promises and undertakings herein contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, CGLIC and Retrocessionaire (individually, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

ARTICLE I

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DEFINITIONS

1.1 Definitions. The following terms shall have the respective meanings set forth below throughout this Retrocession Agreement (definitions are applicable to both the singular and the plural forms of each term defined in this ARTICLE I):

"**Accounting Date**" has the meaning set forth in Section 4.2(a).

"**Additional Consideration**" has the meaning set forth in Section 3.2.

"**Administrative Oversight Expenses**" has the meaning set forth in Section 4.4(b).

"**Administrative Services Agreement**" has the meaning set forth in Section 4.7(a).

"**Affiliate**" means, with respect to any Person, another Person that, directly or indirectly, controls, is controlled by, or is under common control with, such first Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Aggregate Guaranteed Minimum Death Benefit Amount**" has the meaning set forth in Section 7.4(f).

"**Aggregate Guaranteed Minimum Death Benefit Amount as of December 31, 2012**" has the meaning set forth in Section 7.4(f).

"**Aggregate Limit**" has the meaning set forth in Section 2.1(c).

"**Aggregate Limit Report**" has the meaning set forth in Section 4.3(a).

"**Allocated Loss Adjustment Expenses**" means all costs, fees and expenses incurred by Retrocessionaire in the investigation, adjustment, settlement or defense of all specific claims or the monitoring, preservation or enforcement of rights, interests or benefits arising out of or related to the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements (excluding office expenses and salaries of officials of Retrocessionaire or any other administrative or overhead expenses of Retrocessionaire except in the case of claim adjusters or staff attorneys, and then only when the time spent and any expenses of the adjuster or staff attorney is allocable to a specific claim), and court costs, and interest on any judgment or award under or arising out of the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements; provided, however, in no event shall Allocated Loss Adjustment Expenses include any expenses payable by CGLIC under Section 4.7(b)(i). Allocated Loss Adjustment Expenses shall also include expenses associated with an action by Retrocessionaire for declaratory judgment filed in connection with the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements.

"**ALC Dispute Notice**" has the meaning set forth in Section 3.3(a).

"**ALC Dispute Period**" has the meaning set forth in Section 3.3(a).

"**ALC Model**" has the meaning set forth in the Master Transaction Agreement.

"**ALC Model Adjustment Amount**" has the meaning set forth in Schedule 3.4(b).

"**ALC Model Differential**" has the meaning set forth in Section 3.4(b).

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"**ALC Model Representations**" has the meaning set forth in the Master Transaction Agreement.

"**ALC Response Period**" has the meaning set forth in Section 3.3(b).

"**Alternative Action**" has the meaning set forth in Section 4.4(a).

"**Applicable Interest Rate**" means a rate per annum equal the three-month London Interbank Offered Rate as published in *The Wall Street Journal*, Eastern Edition, with such rate being determined on or most recently prior to the date such payment is due.

"**Applicable Law**" means any domestic or foreign, federal, state or local statute, law, ordinance or code, or any written rules, regulations or administrative interpretations issued by any Governmental Authority or any Tax Authority pursuant to any of the foregoing, in each case applicable to any Party, and any Order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties.

"**Approval Request**" has the meaning set forth in Section 4.4(a).

"**Books and Records**" means originals or copies of all records and all other data and information (in whatever form maintained) in the possession or control of a Party or its Affiliates and relating to the Business Covered, including (i) administrative records, (ii) claim records, (iii) policy files, (iv) sales records, (v) files and records relating to Applicable Law, (vi) reinsurance records, (vii) underwriting records, (viii) accounting records and (ix) for all taxable periods ending after December 31, 2003 and solely with respect to the Covered Contracts, Tax records and all other data and information with respect to Tax disputes (subject to proper safeguards and exclusions reasonably agreed by the Parties), but excluding (a) Tax Returns, (b) files, records, data and information with respect to employees, (c) records, data and information with respect to any employee benefit plan, (d) any files, records, data and information not reasonably related to the Business Covered, (e) any materials prepared for the boards of directors of Retrocessionaire, CGLIC or their Affiliates and (f) any materials that are privileged and/or confidential for which CGLIC or its Affiliates do not have a common interest agreement with Retrocessionaire; provided, that if any such records or data referred to in the foregoing clauses (i) through (viii) contain information which does not relate to the Business Covered, such information shall not constitute "Books and Records" for purposes of this Retrocession Agreement.

"**Business Covered**" means the life reinsurance business of CGLIC relating to the Covered Contracts.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which commercial banks in Connecticut or Nebraska are required or authorized by law to be closed.

"**Cedent Group**" has the meaning set forth in Section 5.1(b).

"**Census Values**" has the meaning set forth in the Master Transaction Agreement.

"**CGLIC**" has the meaning set forth in the Preamble.

"**CGLIC Extracontractual Damages**" means any Extracontractual Damages to the extent arising out of, or incurred in connection with (i) acts taken or omitted to be taken by CGLIC or any of its current or former Affiliates, or their agents, brokers or Representatives, prior to the Effective Time or (ii) acts of fraud or intentional misconduct on the part of CGLIC or any of its current or former Affiliates, or any delegatee of CGLIC pursuant to Section 4.1(e).

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"**CGLIC Indemnified Parties**" has the meaning set forth in Section 17.1.

"**Claims Estimate**" has the meaning set forth in Section 5.1(b).

"**Claims Paying Account**" has the meaning set forth in Section 5.1(a).

"**Claims Settlement Retrocessionaire Approval Rights**" has the meaning set forth in Section 4.4(a).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Computer Programs**" means (i) computer programs, including object code, executables and source code, (ii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, (iii) documentation, including user manuals and training materials, relating to any of the foregoing, (iv) any and all data and databases (including all electronic compilations of data) relating to any of the foregoing and (v) tangible embodiments of the foregoing.

"**Covered Contracts**" means the reinsurance contracts listed on Schedule 1.1(a).

"**Covered Expenses**" means (i) Third Party Expenses and (ii) Administrative Oversight Expenses.

"**Covered Liabilities**" has the meaning set forth in Section 2.1(a).

"**Dispute Notice**" has the meaning set forth in Section 4.3(b).

"**Effective Time**" means 12:01 a.m., New York time, on February 4, 2013.

"**Election**" has the meaning set forth in Section 8.2(a).

"**Eligible Assets**" means cash, investment grade bonds and equity securities traded on a national securities exchange or NASDAQ; provided that, with respect to equity securities, each equity security shall be issued by a company having a market capitalization of no less than $10 billion; provided, further, that if the Trust Account contains equity securities, the Trust Account shall contain equity securities issued by no fewer than five companies. Eligible Assets shall not include any securities issued by Retrocessionaire or a Subsidiary of Berkshire Hathaway Inc.

"**Excluded Liabilities**" means:

(a) Any amount which is payable by CGLIC, whether due before, on or after the Effective Time, with respect to claims with Incurral Dates prior to the Effective Time in respect of the Business Covered for liabilities under the Covered Contracts, including all liabilities for claims, benefits or other payments under the Covered Contracts;

(b) Any CGLIC Extracontractual Damages;

(c) Any liability of CGLIC for the intentional and malicious acts or omissions of its employees, officers or directors (as so determined by final adjudication by any Order, writ, injunction, directive, judgment or decree of a court of competent jurisdiction applicable to the Parties), except to the extent that any loss would otherwise constitute a Covered Expense;

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(d) Any liability of CGLIC with respect to any Tax or assessment, other than Taxes relating to the Additional Consideration (excluding income taxes), whether paid directly by CGLIC or billed to CGLIC by or through a cedent; and

(e) Any increased liability or obligation arising out of or relating to CGLIC' s failure to take any Alternative Action, unless by taking such Alternative Action CGLIC would not comply with Applicable Law or the terms of the Covered Contract, in which case all liabilities and obligations arising from changes necessary to conform the conduct contemplated by such recommendation to Applicable Law and the terms of the Covered Contract, shall not be Excluded Liabilities.

"**Extracontractual Damages**" means all liabilities or obligations for punitive, exemplary, compensatory and consequential damages and any award of interest, penalties or attorneys' fees relating thereto, for which CGLIC or any of its Affiliates is liable arising from actual or alleged misconduct, negligence, acts or omissions of CGLIC or any of its Affiliates, or their agents, brokers or Representatives in connection with the Business Covered, including (i) the form, sale, marketing, underwriting, production, issuance, cancellation or administration of the Covered Contracts, (ii) the investigation, defense, trial, settlement or handling of claims, benefits, dividends or payments under the Covered Contracts, or (iii) the failure to pay or the delay in payment or errors in calculating or administering the payment of benefits, claims, dividends or any other amounts due or alleged to be due under or in connection with the Covered Contracts.

"**Final ALC Determination**" has the meaning set forth in Section 3.3(c).

"**Funds Withheld Amount**" has the meaning set forth in Section 3.1(a).

"**Governmental Authority**" means any government, political subdivision, court, arbitrator, arbitration panel, mediator, mediation panel, board, commission, regulatory or administrative agency or other instrumentality thereof, whether federal, state, provincial, local or foreign and including any regulatory authority which may be partly or wholly autonomous, other than any Tax Authority.

"**Incurral Date**" means, with respect to any reinsurance claim made under the Covered Contracts, the date as of which the account values and death benefits of the VA Contract giving rise to such reinsurance claim are valued by each underlying cedent for purposes of computing the amount payable by CGLIC with respect to such reinsurance claim.

"**Independent Accountant**" means a nationally recognized independent accounting firm which is mutually acceptable to CGLIC and Retrocessionaire, or, if CGLIC and Retrocessionaire are unable to agree on such an accounting firm, an independent accounting firm selected by mutual agreement of CGLIC' s and Retrocessionaire' s independent accountants.

"**Independent Actuary**" means a nationally recognized independent actuarial firm which is mutually acceptable to CGLIC and Retrocessionaire, or, if CGLIC and Retrocessionaire are unable to agree on such an actuarial firm, an independent actuarial firm selected by mutual agreement of CGLIC' s and Retrocessionaire' s independent actuaries.

"**Initial Retrocession Premium**" means an amount equal to $2,250,000,000.

"**Intellectual Property**" means United States and foreign trademarks, patents and copyrights and general intangibles of like nature, whether registered or at common law

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(including all registrations and applications for the foregoing and all common law rights therein), databases and compilations, including any and all data, collections of data and documentation related to any of the foregoing, and rights in Computer Programs, trade secrets, confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies.

"**Legal Proceeding(s)**" has the meaning set forth in Section 4.6(a).

"**Loss**" means any damages, claims, losses, liabilities, charges, actions, suits, proceedings, deficiencies, Taxes, fees, assessments, interest, penalties, reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and expenses), and including any of the foregoing relating to enforcement of any Person's rights to indemnity under this Retrocession Agreement.

"**Master Transaction Agreement**" has the meaning set forth in the Recitals.

"**NICO**" has the meaning set forth in the Recitals.

"**NICO Surety Policy**" has the meaning set forth in the Master Transaction Agreement.

"**Notice of Objection**" has the meaning set forth in Section 3.3(b).

"**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Party**" or "**Parties**" has the meaning set forth in the Recitals.

"**Person**" means any natural person, corporation, partnership, limited liability company, trust, joint venture or other entity, including a Governmental Authority.

"**Pricing Formula**" has the meaning set forth in Section 3.4(a).

"**RCE Eligible Assets**" means cash and securities of the type conforming to the qualitative and quantitative requirements for investments permitted under the laws and regulations of CGLIC's domiciliary state for trusts providing Reserve Credit.

"**Recapture Date**" has the meaning set forth in Section 7.4(a).

"**Recapture Payments**" has the meaning set forth in Section 7.3.

"**Reinsurance Credit Event**" has the meaning set forth in Section 13.1(a).

"**Replacement Assets**" shall have the meaning set forth in Section 10.5.

"**Representatives**" means, with respect to any Person, such Person's officers, directors, employees, managing directors, agents, advisors and other representatives.

"**Reserve Credit**" means full Statutory Financial Statement credit for the reinsurance reserves ceded to Retrocessionaire under this Retrocession Agreement as required to be reported on CGLIC's Schedule S.

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"**Reserves**" means, as required by SAP, reserves (including any gross, net and ceded reserves, but excluding tax reserves), funds or provisions for losses, claims, unearned premiums, benefits, costs and expenses in respect of the Business Covered.

"**Retrocession Agreement**" has the meaning set forth in the Preamble.

"**Retrocession Premium**" means the sum of the Initial Retrocession Premium and the Stub Period Retrocession Premium Adjustment.

"**Retrocessionaire**" has the meaning set forth in the Preamble.

"**Retrocessionaire Approval Rights**" has the meaning set forth in Section 4.4(c).

"**Retrocessionaire Extracontractual Damages**" means any Extracontractual Damages to the extent arising out of, or incurred in connection with acts taken or omitted to be taken (i) by Retrocessionaire, or any of its current or former Affiliates, or their agents, brokers or Representatives, including actions taken or omitted to be taken under the Administrative Services Agreement, or (ii) by CGLIC or any of its current or former Affiliates, or their agents, brokers or Representatives at the direction of Retrocessionaire; in each case, to the extent that such amounts would not have been incurred but for Retrocessionaire' s action or inaction, or CGLIC' s action or inaction at the direction of Retrocessionaire.

"**Retrocessionaire Indemnified Parties**" has the meaning set forth in Section 17.2.

"**Reverse Transition Services Agreement**" has the meaning set forth in Section 4.7(c).

"**Revised ALC Model**" has the meaning set forth in Section 3.4(a).

"**Revised Retrocession Premium**" means the adjusted value of the Initial Retrocession Premium, as calculated by the Pricing Formula using the Revised Specified Scenario Results, in accordance with Section 3.4(a).

"**Revised Specified Scenario Results**" means the expected claims and premiums associated with the Covered Contracts, net of amounts payable under the Third Party Retrocessional Agreements, as calculated by the Revised ALC Model using the Census Values and applying the Specified Assumptions.

"**SAP**" means the statutory accounting principles prescribed or permitted by the Commissioner of Insurance of the State of Connecticut.

"**Specified Assumptions**" has the meaning set forth in the Master Transaction Agreement.

"**Specified Scenario Results**" has the meaning set forth in the Master Transaction Agreement.

"**Statutory Financial Statements**" means the annual and quarterly statutory financial statements of CGLIC filed with the Commissioner of Insurance of the State of Connecticut to the extent CGLIC is required by Applicable Law to prepare and file such financial statements.

"**Statutory Reserves**" means the statutory reserves, including claim reserves, of CGLIC with respect to the Covered Liabilities ceded under this Retrocession Agreement, determined by CGLIC in accordance with SAP, consistently applied, including

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taking into account, as applicable, market conditions at the time of calculation; provided, however, in no event shall Statutory Reserves include any form of expense reserves, asset valuation reserve or interest maintenance reserve.

"**Stub Period Retrocession Premium Adjustment**" means an amount equal to negative $53,840,000.

"**Subsidiary**" or "**Subsidiaries**" means, when used with respect to any Party, any corporation, limited liability company, partnership, association, trust or other entity of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power (or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests) are, as of such date, owned by such Party or one or more Subsidiaries of such Party or by such Party and one or more Subsidiaries of such Party.

"**Tax Authority**" means, with respect to any Tax, any government or political subdivision thereof that imposes such Tax, and any agency charged with the collection, assessment, determination or administration of such Tax for such government or subdivision.

"**Tax**" means any and all federal, state, foreign or local income, gross receipts, premium, capital stock, franchise, guaranty fund assessment, retaliatory, profits, withholding, social security, unemployment, disability, real property, ad valorem/personal property, stamp, excise, occupation, sales, use, transfer, value added, alternative minimum, estimated or other tax, fee, duty, levy, custom, tariff, impost, assessment, obligation or charge of the same or of a similar nature to any of the foregoing, including any interest, penalty or addition thereto.

"**Tax Reserves**" means, in the absence of an election by Retrocessionaire under Section 4.7, the tax reserves calculated by CGLIC and provided to Retrocessionaire with respect to the Covered Liabilities, determined by CGLIC in accordance with the specific factors and methodologies provided to CGLIC by Retrocessionaire for purposes of calculating such amounts for Federal income tax purposes.

"**Tax Return**" means any return, report, declaration, claim for refund, certificate, bill, or other return or statement, including any schedule or attachment thereto, and any amendment thereof, filed or required to be filed with any Tax Authority in connection with the determination, assessment or collection of any Tax.

"**Terminal Settlement Amount**" has the meaning set forth in Section 7.4(b).

"**Third Party Expenses**" means all out-of-pocket expenses approved in advance by the Retrocessionaire and paid by CGLIC to any third party on and after the Effective Time in connection with CGLIC' s administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements.

"**Third Party Retrocessional Agreements**" means the retrocessional contracts listed on Schedule 1.1(b) between CGLIC and retrocessionaires (other than the Retrocessionaire), whereby CGLIC has, prior to the Effective Time, ceded reinsurance on the Covered Liabilities, without regard to any amendment, recapture or termination of any such contracts on or after the Effective Time.

"**Third Party Retrocession Recoverables**" has the meaning set forth in Section 12.1.

"**Transaction Documents**" means the Master Transaction Agreement and the Ancillary Agreements (as such term is defined in the Master Transaction Agreement), other than this Retrocession Agreement.

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"**Treasury Regulations**" means the Treasury Regulations (including temporary and proposed Treasury Regulations) promulgated by the United States Department of Treasury with respect to the Code or other United States federal Tax statutes.

"**Trust**" has the meaning set forth in Section 10.1(a).

"**Trust Account**" has the meaning set forth in Section 10.1(a).

"**Trust Agreement**" means the trust agreement by and among CGLIC, Retrocessionaire, NICO and the Trustee, in the form of Exhibit A attached hereto with such changes as may be required by the Trustee.

"**Trust Assets**" means the assets held in the Trust Account, including, as applicable, Eligible Assets and RCE Eligible Assets.

"**Trust Funding Amount**" means, as of any date, an amount equal to the Statutory Reserves, provided that such amount shall not exceed an amount equal to (i) the Aggregate Limit minus (ii) the aggregate amount of the Ultimate Net Loss paid by the Retrocessionaire as of such date.

"**Trust Funding Date**" has the meaning set forth in Section 3.1(b).

"**Trustee**" means the trustee named in the Trust Agreement and any successor trustee appointed as such pursuant to the terms of such Trust Agreement.

"**Ultimate Net Loss**" has the meaning set forth in Section 2.2.

"**VA Contracts**" means the variable annuity contracts and their related riders reinsured under the Covered Contracts.

"**Written Response**" has the meaning set forth in Section 4.4(a).

ARTICLE II

REINSURANCE CEDED

2.1 Reinsurance Coverage.

(a) Effective as of the Effective Time, CGLIC shall cede to Retrocessionaire, and Retrocessionaire shall reinsure, on a one hundred percent (100%) coinsurance basis, (i) all amounts included within the definition of Ultimate Net Loss, up to an aggregate amount not to exceed the Aggregate Limit, (ii) all Administrative Oversight Expenses and (iii) all Retrocessionaire Extracontractual Damages (collectively, the "**Covered Liabilities**"); provided, however, in no event shall Excluded Liabilities be Covered Liabilities.

(b) Retrocessionaire' s liability under this Retrocession Agreement for Covered Liabilities shall attach simultaneously with that of CGLIC, and all reinsurance with respect to which Retrocessionaire shall be liable by virtue of this Retrocession Agreement shall be subject in all respects to the same risks, terms, rates, conditions, interpretations, assessments and good faith waivers and to the same modifications, alterations and cancellations, as the respective Covered Contracts and Business Covered to which liability under this Retrocession Agreement attaches. The Retrocessionaire shall, in each and every case to which liability under this Retrocession Agreement attaches, follow the fortunes and settlements of CGLIC, and

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Retrocessionaire shall be bound, without limitation, by all payments and settlements entered into by or on behalf of CGLIC, subject to the terms, conditions and provisions set forth herein.

(c) **NOTWITHSTANDING ANY OTHER PROVISION IN THIS RETROCESSION AGREEMENT OR THE TRANSACTION DOCUMENTS TO THE CONTRARY, RETROCESSIONAIRE' S AGGREGATE LIMIT OF LIABILITY FOR ULTIMATE NET LOSS SHALL BE NO GREATER THAN $3,819,408,696 (the "Aggregate Limit").**

2.2 Ultimate Net Loss.

"**Ultimate Net Loss**" means the sum of:

(a) any amount which is due and payable by CGLIC with respect to claims with Incurral Dates on or after the Effective Time in respect of the Business Covered, net of any amounts which are recoverable, whether or not actually collected, under the Third Party Retrocessional Agreements on or after the Effective Time, for (i) all liabilities under the Covered Contracts, including liabilities for claims, benefits or other payments under the Covered Contracts, or (ii) all liabilities arising out of any changes to the terms and conditions of the Covered Contract effected in accordance with Section 2.4;

(b) *plus* any Third Party Expenses;

(c) *plus* any Extracontractual Damages, other than CGLIC Extracontractual Damages and Retrocessionaire Extracontractual Damages;

(d) *plus* any Recapture Payments;

(e) *plus* any Allocated Loss Adjustment Expenses paid by the Retrocessionaire pursuant to Section 4.7(b)(ii);

(f) *minus* any Additional Consideration;

provided, however, in no event shall Ultimate Net Loss include (x) any expenses incurred by CGLIC in connection with the administration of the Covered Contracts, Covered Liabilities or Third Party Retrocessional Agreements by CGLIC; (y) in the event of any transfer of administrative responsibilities in accordance with Section 4.7, any expenses incurred by Retrocessionaire or CGLIC in connection thereto, other than Allocated Loss Adjustment Expenses as provided above; or (z) any Excluded Liabilities.

2.3 Extracontractual Damages.

To the maximum extent permitted by Applicable Law, Retrocessionaire shall indemnify CGLIC for all Extracontractual Damages, except for CGLIC Extracontractual Damages. For the avoidance of doubt, the payment of Retrocessionaire Extracontractual Damages by Retrocessionaire shall neither be included in determining the aggregate amount of Ultimate Net Loss paid by Retrocessionaire nor applied against any calculation of the remaining Aggregate Limit.

2.4 Contract Changes.

Retrocessionaire shall reinsure, on a one hundred percent (100%) coinsurance basis, any liability resulting from any changes in the terms or conditions of any Covered Contract that (a) are required by Applicable Law or any Governmental Authority, whether incurred before, on or after the Effective Time, (b) are necessary to reflect any changes in the Covered Contracts effected by

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cedents thereunder pursuant to the terms of the Covered Contracts that do not require the approval of CGLIC, or (c) are approved by Retrocessionaire in writing.

2.5 Territory.

The reinsurance provided under this Retrocession Agreement shall be coextensive with the territory of the Covered Contracts.

ARTICLE III

REINSURANCE CONSIDERATION

3.1 Retrocession Premium.

(a) On the date hereof, CGLIC shall (i) pay an amount in cash equal to thirty-three percent (33%) of the Retrocession Premium directly to Retrocessionaire and (ii) hold the remaining sixty-seven percent (67%) of the Retrocession Premium on a funds withheld basis (the "**Funds Withheld Amount**"). The Funds Withheld Amount shall be reduced from time to time by (i) amounts otherwise due from Retrocessionaire in payment of Covered Liabilities in accordance with Section 5.1(b) and (ii) payments to Retrocessionaire or deposits into the Trust Account on behalf of Retrocessionaire made by CGLIC in accordance with Section 3.1(b).

(b) CGLIC shall have the option of either (i) paying down the outstanding balance of the Funds Withheld Amount to Retrocessionaire in several, incremental cash payments (the size and frequency of which shall be determined by CGLIC in its sole discretion) or (ii) depositing the Funds Withheld Amount as a single lump sum cash payment into the Trust Account on behalf of Retrocessionaire; provided, CGLIC either pays or deposits the Funds Withheld Amount in full no later than April 30, 2013; and provided, further, the last payment CGLIC would otherwise have made directly to Retrocessionaire under clause (i) above shall be deposited directly into the Trust Account pursuant to Section 10.1(b)(i). Interest on the balance of the Funds Withheld Amount that is yet unpaid to Retrocessionaire or transferred into the Trust Account shall accrue at a rate of one and one-quarter percent (1.25%) per annum. The earlier of (x) the date CGLIC either pays Retrocessionaire or deposits into the Trust Account the outstanding balance of the Funds Withheld Amount, including applicable interest on such balance, and (y) April 30, 2013, shall be referred to herein as the "**Trust Funding Date**." Retrocessionaire shall have no obligation to pay any Covered Liabilities until CGLIC either pays Retrocessionaire or deposits into the Trust Account such outstanding balance of the Funds Withheld Amount.

(c) Notwithstanding Section 3.1(b), in the event the Funds Withheld Amount is neither paid to Retrocessionaire nor deposited into the Trust Account in full by April 30, 2013 in accordance with Section 3.1(b), and such failure to either pay or deposit the Funds Withheld Amount in full by CGLIC is not cured by the end of five (5) Business Days after receipt of a notice from Retrocessionaire, then interest shall accrue on the outstanding balance of the Funds Withheld Amount effective as of April 30, 2013, at a rate of two percent (2.0%) per month or any portion thereof. CGLIC shall pay such accrued interest to Retrocessionaire on the date on which CGLIC either pays to Retrocessionaire or deposits into the Trust Account the outstanding balance of the Funds Withheld Amount; provided, if the Funds Withheld Amount is neither paid to Retrocessionaire nor deposited into the Trust Account in full within sixty (60) calendar days of the Trust Funding Date, then Retrocessionaire, in its sole discretion, shall have the option to terminate this Retrocession Agreement in accordance with Section 7.5, subject only to delivery of a written notice of termination to CGLIC.

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3.2 Additional Consideration.

In addition to the Retrocession Premium, for as long as the aggregate amount of Ultimate Net Loss paid by Retrocessionaire is less than the Aggregate Limit, Retrocessionaire shall be entitled to one hundred percent (100%) of the following amounts actually received by CGLIC after the Effective Time, net of (x) any Taxes (other than income taxes) relating to such amounts payable by CGLIC and (y) any amounts paid or payable by CGLIC under the Third Party Retrocessional Agreements (collectively, the "**Additional Consideration**"):

(i) premiums in respect of the Covered Contracts, including any premiums associated with any settlement statement that covers a period that spans the Effective Time, which shall be allocated between the Parties on a pro rata basis;

(ii) litigation or arbitration recoveries related to other disputes to the extent such recoveries directly relate to Covered Liabilities; and

(iii) other recoveries, if any, directly relating to the Covered Contracts or Covered Liabilities (other than Third Party Retrocession Recoverables).

3.3 ALC Model Recalculation.

(a) At any time within the period of three years and fifteen days following the Effective Time (the "**ALC Dispute Period**"), if Retrocessionaire determines that any ALC Model Representation is inaccurate, Retrocessionaire may provide CGLIC with a written notice (an "**ALC Dispute Notice**") describing in reasonable detail the nature of such inaccuracy, and the amount of the potential ALC Model Adjustment Amount. To the extent that Retrocessionaire has actual knowledge of any inaccuracy in the ALC Model Representations that could reasonably be expected to be favorable to CGLIC, the ALC Dispute Notice shall also describe in reasonable detail the nature of such inaccuracy. Following receipt of an ALC Dispute Notice, to the extent that at any time prior to the end of the ALC Response Period, CGLIC has actual knowledge of any additional inaccuracy in the ALC Model Representations, CGLIC shall promptly provide Retrocessionaire with written notice thereof. Unless otherwise agreed by the Parties, Retrocessionaire' s right to provide CGLIC with notice of any ALC Model Representation inaccuracies shall be limited to one ALC Dispute Notice during the ALC Dispute Period. For the avoidance of doubt, any ALC Dispute Notice received by CGLIC after the ALC Dispute Period has passed will be of no force or effect.

(b) CGLIC will have sixty (60) calendar days upon receipt of the ALC Dispute Notice to review and respond to such ALC Dispute Notice (the "**ALC Response Period**"). Such response must be in writing and must describe in reasonable detail the basis for any objection to such ALC Dispute Notice (any such response, a "**Notice of Objection**"). For the avoidance of doubt, CGLIC shall be permitted to include in the Notice of Objection a description of any inaccuracy in the ALC Model Representations, regardless of whether such inaccuracy was set forth, or relates to any items, in the ALC

Dispute Notice. If CGLIC fails to provide a Notice of Objection prior to the termination of the ALC Response Period, or CGLIC agrees with Retrocessionaire' s determination regarding any inaccuracy of the ALC Model Representations, the Parties will adjust the ALC Model to correct for any identified inaccuracy in any ALC Model Representation.

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(c) Retrocessionaire will have thirty (30) calendar days to review the Notice of Objection and to determine whether to submit the dispute to the Independent Actuary, who shall review the ALC Dispute Notice, the Notice of Objection and any supporting information provided by Retrocessionaire or CGLIC. Such review will be limited to whether any of the ALC Model Representations were inaccurate when made and shall include any such inaccuracies presented by each of CGLIC and Retrocessionaire. The Independent Actuary will have ninety (90) calendar days to provide a detailed report describing its preliminary findings with respect to the dispute. Retrocessionaire and the CGLIC will then have thirty (30) calendar days to meet jointly with the Independent Actuary to review the Independent Actuary' s process and analysis with respect to the preliminary findings. Upon the conclusion of such thirty (30) calendar day period, the Independent Actuary will have thirty (30) calendar days to issue its final determination (the "**Final ALC Determination**"). CGLIC will adjust the ALC Model under the supervision of the Independent Actuary to correct for any inaccuracy in the ALC Model Representations as determined by the Independent Actuary. For the avoidance of doubt, all disputes related to the ALC Model Representations will be submitted to, and reviewed by, the Independent Actuary concurrently. In the event of the recapture of any Covered Contract prior to the ALC Dispute Period or during any subsequent review and response period, the Independent Actuary will make an equitable adjustment to the ALC Model.

(d) CGLIC and Retrocessionaire shall bear the respective fees and costs incurred by such Party in connection with any disputes related to the ALC Model Representations. The fees and disbursements of the Independent Actuary shall be paid by CGLIC if the ALC Model Adjustment Amount is payable by CGLIC to Retrocessionaire pursuant to Section 3.4. The fees and disbursements of the Independent Actuary shall be paid by Retrocessionaire if no ALC Model Adjustment Amount is payable by CGLIC to Retrocessionaire pursuant to Section 3.4.

3.4 ALC Model Adjustment.

(a) In the event that the ALC Model is adjusted by the mutual agreement of CGLIC and Retrocessionaire or in accordance with the Final ALC Determination (the ALC Model as adjusted, the "**Revised ALC Model**"), the Census Values and Specified Assumptions as of December 31, 2012 will be entered into the Revised ALC Model by CGLIC, under the supervision of the Independent Actuary, in order to calculate the Revised Specified Scenario Results. The Revised Specified Scenario Results will then be applied to the pricing formula attached as Schedule 3.4(a) (the "**Pricing Formula**") by the Independent Actuary to calculate the Revised Retrocession Premium.

(b) CGLIC and Retrocessionaire will then calculate an amount in accordance with Schedule 3.4(b), utilizing the Revised Retrocession Premium and Initial Retrocession Premium (the "**ALC Model Differential**"). If the ALC Model Differential

is positive, CGLIC will make a payment to Retrocessionaire in accordance with Schedule 3.4(b).

3.5 Payments.

(a) Except as otherwise set forth in Section 3.4, all payments between the Parties made pursuant to this Retrocession Agreement shall be made either (i) by wire transfer of United States dollars in cash to such bank account or accounts as designated by the recipient or (ii) by direct deposit or direct debit through the Automated Clearing House (ACH) system.

(b) All payments by Retrocessionaire to CGLIC shall be made directly to CGLIC or to its conservator, liquidator, receiver, or its statutory successor.

ARTICLE IV

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ADMINISTRATION

4.1 Administration.

(a) Subject to the Retrocessionaire Approval Rights, CGLIC shall retain responsibility for the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements. The administrative services to be performed by CGLIC are set forth on Schedule 4.1(a). In no event shall CGLIC be responsible for performing or providing any hedging activities or other investment activities related to the Covered Liabilities.

(b) Subject to the terms and conditions of this Retrocession Agreement, CGLIC shall have full authority to determine liability on any Covered Liabilities reinsured hereunder and may pay or settle such liabilities as it deems appropriate; provided that CGLIC acts in accordance with subsection (c) below.

(c) CGLIC shall administer the Covered Liabilities and Covered Contracts (i) in good faith, (ii) in accordance with the terms of the Covered Contracts, (iii) in accordance with the applicable terms of this Retrocession Agreement, (iv) in compliance with Applicable Law, (v) consistent with sound business practices (taking into account the purposes of this Retrocession Agreement and other Transaction Agreements); and subject to the foregoing, (vi) with no less skill and diligence as it applies in administering its business not subject to this Retrocession Agreement. Notwithstanding the foregoing, the Parties may, from time to time, mutually develop specific and/or different standards for providing such services with respect to the Covered Liabilities and Covered Contracts.

(d) CGLIC shall pay for all expenses it incurs relating to the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements, other than Covered Expenses and expenses relating to the administration of Retrocessionaire Extracontractual Damages. Retrocessionaire shall reimburse and indemnify CGLIC for all Covered Expenses and expenses relating to the administration

of Retrocessionaire Extracontractual Damages as incurred in accordance with ARTICLE V, following receipt from CGLIC of an accounting of any such amounts.

(e) Unless there has been a transfer of the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to Retrocessionaire pursuant to Section 4.7 of this Retrocession Agreement, CGLIC may delegate any part or all of its rights and obligations under this ARTICLE IV to an Affiliate of CGLIC or, with at least ten (10) Business Days' prior written notice to Retrocessionaire, to a third party administrator; provided, however, that CGLIC shall not delegate all or any substantial portion of such rights and obligations to a third party administrator without the prior written consent of Retrocessionaire, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding any such delegation, CGLIC will remain responsible for the fulfillment of all obligations to Retrocessionaire under this ARTICLE IV.

4.2 Administrative Reporting.

(a) No later than three (3) calendar days after the date on which CGLIC is required to file its financial statement with its domiciliary state regulator, CGLIC shall deliver to Retrocessionaire its calculation of the Statutory Reserves for the calendar quarter or year just ended, together with a copy of its Statutory Financial Statement that was filed with its domiciliary state regulator for the same period. Each date on which CGLIC delivers its calculation of the Statutory Reserves and its Statutory Financial Statement to Retrocessionaire shall be referred to as an "**Accounting Date**."

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(b) For so long as required by Retrocessionaire, CGLIC shall timely provide to Retrocessionaire the additional reports set forth on Schedule 4.1(a) in accordance with the terms of such schedule.

4.3 Annual Report of Aggregate Limit.

(a) Within forty-five (45) calendar days after the end of each calendar year, CGLIC shall deliver to Retrocessionaire a report setting forth in reasonable detail the following amounts (each such report, an "**Aggregate Limit Report**"):

(i) Any amounts described in Sections 2.2(a)(i) or 2.2(a)(ii) that were paid by CGLIC during the prior calendar year, net of any amounts payable under the Third Party Retrocessional Agreements during the prior calendar year;

(ii) Any amounts paid by CGLIC during the prior calendar year for Extracontractual Damages, other than CGLIC Extracontractual Damages and Retrocessionaire Extracontractual Damages;

(iii) Any Recapture Payments made during the prior calendar year;

(iv) Any Additional Consideration received by Retrocessionaire during the prior calendar year; and

(v) The remaining, unpaid Aggregate Limit as of the last day of the preceding calendar year.

(b) If Retrocessionaire disputes in good faith the amounts set forth in the Aggregate Limit Report including because such amounts were not provided in sufficient detail, then Retrocessionaire shall provide written notice (a "**Dispute Notice**") to CGLIC to such effect on or prior to the date that is twenty (20) Business Days after Retrocessionaire' s receipt of the Aggregate Limit Report and Retrocessionaire and CGLIC shall cooperate in good faith with each other to resolve such dispute. Any such dispute between the Parties that cannot be resolved by the Parties within thirty (30) calendar days after CGLIC' s receipt of a Dispute Notice shall be resolved in accordance with Section 16.1(a).

4.4 Approval Rights.

(a) Subject to claims payment protocols agreed to by the Parties from time to time, Retrocessionaire shall have the right of prior approval with respect to any and all proposed payments and settlements of claims under the Covered Contracts (the "**Claims Settlement Retrocessionaire Approval Rights**"). In advance of any proposed action that would trigger a Retrocessionaire Approval Right, CGLIC shall provide Retrocessionaire with written notice (each, an "**Approval Request**") sufficiently in advance of the expected date of payment. Following receipt of an Approval Request, Retrocessionaire shall either approve or object to such Approval Request (each, a "**Written Response**"). In the event that Retrocessionaire objects to an Approval Request, it shall inform CGLIC in its Written Response as to what alternative course of action it proposes to be taken in lieu of the action proposed by CGLIC in its Approval Request (each, an "**Alternative Action**"). Retrocessionaire and CGLIC shall then discuss and attempt to agree on an Alternative Action. In the event that the Parties are unable to reach agreement within fifteen (15) calendar days following receipt of the Written Response, Retrocessionaire may direct an Alternative Action by providing CGLIC with written notice thereof.

(b) In the event that Retrocessionaire either delays or withholds its approval with respect to an Approval Request beyond the expected date of payment, or directs CGLIC to take an Alternative Action, Retrocessionaire shall

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indemnify CGLIC for the full amount of any liability or obligation of any kind whatsoever, including all out-of-pocket expenses, to the extent that such amounts would not have been incurred by CGLIC but for Retrocessionaire' s action or inaction on such Approval Request which causes CGLIC to deviate from the proposed action set forth in its Approval Request (such amounts, "**Administrative Oversight Expenses**"). Retrocessionaire shall have the right and responsibility to direct and control the negotiation, litigation or resolution of any such liabilities, and CGLIC shall cooperate with Retrocessionaire' s reasonable directions in this regard.

(c) In addition to the foregoing, Retrocessionaire shall have the right of prior approval, in its sole discretion, with respect to any and all proposed commutations, recaptures or novations of the Covered Contracts (collectively, with the Claims Settlement Retrocessionaire Approval Rights, the "**Retrocessionaire Approval Rights**").

4.5 Regulatory Complaints and Proceedings.

(a) CGLIC shall promptly notify Retrocessionaire of any material complaints or inquiries initiated by a Governmental Authority with respect to the Covered Contracts, and of any proceedings initiated by a Governmental Authority with respect to the Covered Contracts, and, in either case, to the extent permitted by Applicable Law, prepare and send to the Governmental Authority, with a copy to Retrocessionaire, a response within the Governmental Authority' s requested time frame for response or, if no such time frame is provided, within the time frame as allowed by Applicable Law; provided that CGLIC shall use reasonable best efforts to provide such response to Retrocessionaire for its prior review and comment within a reasonable time before sending such response to the Governmental Authority.

(b) Subject to the Retrocessionaire Approval Rights, CGLIC shall supervise and control the investigation, contest, defense and/or settlement of all complaints, inquiries and proceedings by Governmental Authorities with respect to the Covered Contracts and the Covered Liabilities. CGLIC shall nevertheless keep Retrocessionaire informed of all such complaints, inquiries and proceedings.

(c) CGLIC shall maintain a complaint log with respect to the Covered Contracts and the Covered Liabilities in accordance with applicable requirements of Governmental Authorities and make a copy of such log, continuously updated through the last day of each calendar quarter during the term of this Retrocession Agreement, available for inspection by Retrocessionaire upon five (5) Business Days' prior notice by Retrocessionaire.

4.6 Legal Proceedings.

(a) Except with respect to Tax matters not involving a Tax dispute referred to in clause (ix) of the definition of Books and Records, CGLIC shall notify Retrocessionaire within five (5) calendar days of receiving notice of any lawsuit, action, arbitration or other dispute resolution proceedings that are instituted or threatened with respect to any matter relating to the Covered Contracts and the Covered Liabilities ("**Legal Proceeding(s)**"), and shall provide to Retrocessionaire, upon Retrocessionaire' s reasonable request, a report summarizing the nature of such Legal Proceedings, the alleged actions or omissions giving rise to such Legal Proceedings and copies of any files or other documents that Retrocessionaire may reasonably request in connection with its review of these matters. Notwithstanding the foregoing, and except with respect to matters relating to Taxes generally, CGLIC shall not commence any Legal Proceeding without the prior written consent of Retrocessionaire, such consent not to be unreasonably withheld or delayed.

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(b) Except with respect to matters relating to Taxes, within twenty (20) calendar days of receipt by Retrocessionaire of notice of a Legal Proceeding, Retrocessionaire shall have the right, in its sole discretion, to assume control of such Legal Proceeding (including the engagement of counsel of Retrocessionaire' s choosing).

(c) Without regard to the Party controlling such Legal Proceeding, (i) counsel used by a Party shall be reasonably satisfactory to the other Party, (ii) each Party shall be kept full informed as to all material aspects of such Legal Proceeding by the other Party and its counsel, (iii) each Party and its counsel shall promptly provide to the other Party and its counsel all information (including copies of written information) related to such Legal Proceeding and, to the extent practicable under the circumstances, provide the other Party with an opportunity to comment on material pleadings, motions and other submissions to the court or other party to the Legal Proceeding and shall consider such comments in good faith, (iv) each Party and its counsel shall have its views regarding such Legal Proceeding considered in good faith by the other Party and its counsel and (v) except with the prior written consent of the non-controlling Party, such consent not to be unreasonably withheld or delayed, the controlling Party shall not settle or compromise any Legal Proceeding or permit a default judgment or consent to an entry of judgment in respect thereof unless such settlement, compromise or judgment (1) relates solely to money damages, (2) provides for a full irrevocable and unconditional release of the non-controlling Party and any other harmed Affiliate thereof with respect to the Legal Proceeding, (3) does not contain any admission or finding of wrongdoing or criminal liability on behalf of the non-controlling Party or any Affiliate thereof and (4) would not reasonably be expected to have a material adverse effect on the non-controlling Party' s business.

4.7 Transfer of Administrative Responsibilities.

(a) In the event that CGLIC is in material breach of its obligations under Schedule 4.1(a), or at any time following the third anniversary of the Effective Time, Retrocessionaire may elect to assume in its entirety the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements from CGLIC. Promptly following such an election, the Parties shall in good faith negotiate and enter into an administrative services agreement (the "**Administrative Services Agreement**"), which shall include, among other terms, the terms described in Section 4.7(b). The Parties shall also agree to appropriate amendments of this Retrocession Agreement to reflect the fact that CGLIC will no longer be administering the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements. The date that the Administrative Services Agreement becomes effective shall be the date that the transfer of administration becomes effective.

(b) The Administrative Services Agreement shall provide for the following:

(i) CGLIC shall pay Retrocessionaire for all reasonable internal expenses (including a reasonable overhead allocation) in connection with its administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements. The

reasonableness of such expenses will be determined by reference to (A) the average annual actual expenses incurred by CGLIC in connection with its administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements during the thirty-six (36) month period preceding the date CGLIC consents to Retrocessionaire' s request to transfer administration and (B) the projected expenses based on the requirements of the Business Covered at such time. The Parties agree they shall negotiate in good faith the amount of such payment for internal expenses, as well as the method for such payment and shall consider, among other things, whether CGLIC may pay such internal expenses in a single lump sum payment or as a recurring amount for the duration of the Administrative Services Agreement;

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(ii) Retrocessionaire shall pay all Allocated Loss Adjustment Expenses incurred on and after the effective date of the Administrative Services Agreement in connection with Retrocessionaire' s administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements;

(iii) CGLIC shall provide all transition or administrative services reasonably necessary or appropriate in order to transition the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to Retrocessionaire or its designee, which services shall be provided for a period of not less than one (1) year following the date Retrocessionaire elects to transfer administration;

(iv) Retrocessionaire shall reimburse CGLIC for any reasonable internal expenses (including a reasonable overhead allocation) and any reasonable out-of-pocket expenses incurred by CGLIC or its Affiliates in connection with any actions undertaken by CGLIC or its Affiliates in transitioning the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to Retrocessionaire;

(v) Retrocessionaire shall be responsible for the collection of Third Party Retrocession Recoverables; provided, however, CGLIC may, at its sole discretion, decide to retain or resume (if responsibility has at any prior time been relinquished) responsibility for such collection, it being understood that the risk of uncollectability shall remain with CGLIC at all times;

(vi) Any security arrangements with the retrocessionaires under the Third Party Retrocessional Agreements shall remain in place for the benefit of CGLIC and unchanged following the transfer of the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to Retrocessionaire pursuant to the terms of this Section 4.7;

(vii) The Administrative Services Agreement shall terminate in the event that (A) the amount of Ultimate Net Loss paid by Retrocessionaire exceeds $3,500,000,000 and CGLIC reasonably determines that the aggregate amount of Ultimate Net Loss paid by Retrocessionaire is likely to reach the Aggregate Limit or (B) CGLIC and Retrocessionaire terminate this Retrocession Agreement; and

(viii) In the event Retrocessionaire elects to assume the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements pursuant to Section 4.7(a), and such election is made as a result of a material breach by CGLIC of its obligations under Sections 4.1, 4.2, 4.3, 4.5 or 4.6 (which breach is not cured within sixty (60) calendar days after notice thereof from Retrocessionaire), then the Parties shall agree to include in the Administrative Services Agreement a non-exclusive, royalty-free, non-sublicenseable, non-transferable license to Retrocessionaire to use any Intellectual Property owned by CGLIC that is incorporated into the ALC Model solely for the purpose of administering the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements. Such license shall (i) expire at such time as Retrocessionaire ceases to administer the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements, (ii) be provided "AS IS", without liability, warranty, or ongoing support of any kind from CGLIC, and (iii) be terminable by CGLIC for material breach of its terms (which breach is not cured within sixty (60) calendar days after notice thereof from CGLIC) by Retrocessionaire.

(c) Upon the written request of CGLIC following the termination of the Administrative Services Agreement, CGLIC and Retrocessionaire shall negotiate in good faith and enter into a services agreement (the "**Reverse Transition Services Agreement**") containing terms and conditions mutually acceptable to CGLIC and Retrocessionaire, including the terms described in Section 4.7(d) below.

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(d) Pursuant to any Reverse Transition Services Agreement entered into by the Parties in connection with the transfer of administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements back to CGLIC, Retrocessionaire shall provide all transition or administrative services reasonably necessary or appropriate in order to transition the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to CGLIC or its designee, which services shall be provided for a period of not less than one (1) year following the termination or expiration of the Administrative Services Agreement. CGLIC shall reimburse Retrocessionaire for any reasonable internal expenses (including a reasonable overhead allocation) and any reasonable out-of-pocket expenses incurred by Retrocessionaire or its Affiliates in connection with any actions undertaken by Retrocessionaire in transitioning the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements back to CGLIC.

ARTICLE V

CLAIMS PAYING ACCOUNT

5.1 Claims Paying Account.

(a) On or before the date on which CGLIC either pays Retrocessionaire or deposits into the Trust Account the outstanding balance of the Funds Withheld Amount pursuant to Section 3.1(b), Retrocessionaire shall establish, fund and maintain a bank account on which CGLIC shall be authorized to draw for the payment of Covered Liabilities (the "**Claims Paying Account**").

(b) From the date hereof until the Trust Funding Date, CGLIC shall pay all Covered Liabilities as such liabilities become due and owing and shall reduce the Funds Withheld Amount by the amount of such payments. Notwithstanding the foregoing, no later than three (3) Business Days prior to the end of each calendar month, CGLIC shall deliver to Retrocessionaire a statement (the "**Claims Estimate**") setting forth in reasonable detail CGLIC' s good faith estimate of all Covered Liabilities which CGLIC, in its role as administrator under this Retrocession Agreement, would reasonably be expected to pay on behalf of Retrocessionaire in the upcoming calendar month, taking into consideration, among other things, past cash flows for the Business Covered. The Claims Estimate shall separately set forth an estimate of all Covered Liabilities with respect to (i) Hartford Life & Annuity Insurance Company, Hartford Life Insurance Company and each of their Affiliates, (ii) John Hancock Life Insurance Company and its Affiliates, (iii) AXA Equitable Life Insurance Company and its Affiliates and (iv) all other cedents as a group (each of (i), (ii), (iii) and (iv), a "**Cedent Group**").

(c) Starting on the first Business Day following the Trust Funding Date and thereafter, no later than the first Business Day of the calendar month immediately following Retrocessionaire' s receipt of the Claims Estimate for such month, Retrocessionaire shall transfer to the Claims Paying Account cash in an amount equal to the aggregate amount of Covered Liabilities set forth on such Claims Estimate.

(d) If at any time during the calendar month the funds in the Claims Paying Account are, in CGLIC' s reasonable estimate, insufficient to pay all of the Covered Liabilities for such month, CGLIC shall provide a revised Claims Estimate for such month setting forth in reasonable detail a description of the additional proposed payments and the amount by which the then current balance in the Claims Paying Account falls short of the aggregate amount set forth in the revised Claims Estimate. Subject to the provisions of Section 4.4, Retrocessionaire shall transfer to the Claims Paying Account cash equal to the amount of the shortfall within three (3) Business Days from the date it receives the revised Claims Estimate.

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(e) If at any time during the calendar month, Covered Liabilities payable by CGLIC with regards to any Cedent Group exceeds, or is expected to exceed one hundred twenty percent (120%) of the amount set forth in the original Claims Estimate, CGLIC shall provide a revised Claims Estimate for such month setting forth in reasonable detail a

description of the additional proposed payments. Such excess shall be subject to the Claims Settlement Retrocessionaire Approval Rights, and the funding thereof shall be subject to the provisions of Section 4.4.

(f) Notwithstanding anything to the contrary set forth herein, unless and until Retrocessionaire has paid an aggregate amount of Ultimate Net Loss equal to the Aggregate Limit, CGLIC shall not under any circumstances be required to fund the payment of any Covered Liabilities.

ARTICLE VI

BOOKS AND RECORDS

6.1 Access to Books and Records.

(a) From time to time, but no more than once every quarter, CGLIC shall: (i) allow Retrocessionaire and its Representatives, upon reasonable notice and during normal business hours and subject to the rules applicable to visitors at CGLIC' s offices, generally, the right to examine and make copies, at Retrocessionaire' s expense, of any Books and Records of CGLIC; (ii) allow Retrocessionaire and its Representatives to interview CGLIC' s Representatives for any reasonable purpose relating to the Covered Contracts and Covered Liabilities, including in connection with Retrocessionaire' s preparation of regulatory and statutory filings (excluding, for the avoidance of doubt, Tax Returns) and financial statements, the conduct of any Legal Proceedings (other than any litigation or dispute between Retrocessionaire or its Affiliates, on the one hand, and CGLIC or its Affiliates, on the other hand), and the conduct of any material regulatory complaints pertaining to the Covered Contracts and Covered Liabilities. Access to CGLIC' s Representatives and Books and Records and other information shall be at Retrocessionaire' s expense, and shall not unreasonably interfere with the business operations of CGLIC or its Affiliates.

(b) Notwithstanding any other provision of this Retrocession Agreement to the contrary, CGLIC shall not be obligated to provide such access to any Books and Records or other information if CGLIC determines, in its reasonable judgment, that doing so would violate Applicable Law or a contract, agreement or obligation of confidentiality owing to a third-party, jeopardize the protection of an attorney-client privilege, or expose CGLIC to liability for disclosure of sensitive or personal information.

ARTICLE VII

DURATION AND TERMINATION; RECAPTURE

7.1 Duration and Termination.

Without limiting any provision of the Master Transaction Agreement and subject to Sections 7.3, 7.4 and 7.5, this Retrocession Agreement shall commence at the Effective Time and continue in force until (a) such time as Retrocessionaire' s liability with respect to Ultimate Net Loss terminates, which will be the earlier of: (i) the date CGLIC' s liability with respect to

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the Business Covered is terminated and all amounts due CGLIC under this Retrocession Agreement with respect to the Business Covered is paid or (ii) the date on which Retrocessionaire has paid an aggregate amount of Ultimate Net Loss equal to the Aggregate Limit or (b) the date on which this Retrocession Agreement is terminated by the mutual written consent of the Parties.

7.2 Effect of Termination.

Notwithstanding the other provisions of this ARTICLE VII, the terms and conditions of ARTICLE I, and ARTICLE XVII and the provisions of Sections 18.1, 18.7, 18.12, and 18.13 shall remain in full force and effect after the termination of this Retrocession Agreement.

7.3 Recapture of Covered Liabilities by Retrocessionaire.

With CGLIC' s consent (which consent shall not be unreasonably withheld, conditioned or delayed) and reasonable participation, Retrocessionaire may negotiate the recapture of the Covered Liabilities directly with the underlying cedents of the Covered Contracts; provided (a) such recapture results in a comprehensive release of CGLIC from all liability from the cedent and (b) Retrocessionaire agrees to indemnify CGLIC for any liabilities arising out of or in connection with any such recapture. Any payment made in connection with the recapture of Covered Liabilities ("**Recapture Payments**") shall apply towards the Aggregate Limit.

7.4 Recapture of Covered Liabilities by CGLIC.

(a) CGLIC, in its sole discretion, shall have a continuing option, exercisable upon written notice to Retrocessionaire specifying the effective date of the recapture (the "**Recapture Date**"), to terminate this Retrocession Agreement and recapture in full Retrocessionaire' s share of the Covered Liabilities upon the occurrence of one or more of the following events:

(i) NICO (A) is adjudicated as insolvent, (B) applies for or consents to the appointment of a receiver, rehabilitator, conservator, liquidator or statutory successor for itself or for a substantial part of its assets, or (C) becomes subject to any receivership, rehabilitation, conservatorship, liquidation or other similar order, directive or mandate issued by any Governmental Authority;

(ii) Retrocessionaire (A) is adjudicated as insolvent, (B) applies for or consents to the appointment of a receiver, rehabilitator, conservator, liquidator or statutory successor for itself or for a substantial part of its assets, or (C) becomes subject to any receivership, rehabilitation, conservatorship, liquidation or other similar order, directive or mandate issued by any Governmental Authority;

(iii) NICO' s policyholder surplus (as reflected in NICO' s most recent statutory financial statements) falls below an amount equal to five hundred percent (500%) of the remaining Aggregate Limit; or

(iv) CGLIC is unable to receive Reserve Credit and such inability to receive Reserve Credit shall continue unremedied for a period ending on the later of (A) thirty (30) calendar days after the date upon which written notice thereof is given to Retrocessionaire by CGLIC or (B) the last day of the calendar quarter in which such failure occurs.

(b) Following any notice of recapture pursuant to Section 7.4(a), CGLIC and Retrocessionaire shall jointly determine the amount of a terminal settlement (the "**Terminal Settlement Amount**"), which shall be calculated as follows:

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(i) In the event of a recapture upon the occurrence of the event described in Section 7.4(a)(i), the Terminal Settlement Amount shall be an amount equal to (x) premiums received less claims and other amounts accrued since the first day of the quarter in which the Recapture Date occurs and ending on the Recapture Date, *plus* (y) the greater of (A) the Trust Funding Amount as of the quarter end immediately prior to the quarter in which the Recapture Date occurs and (B) the product of $(a \div b) \times (c)$, where a is the Aggregate Guaranteed Minimum Death Benefit Amount as of the Recapture Date, b is the Aggregate Guaranteed Minimum Death Benefit Amount as of December 31, 2012, and c is the amount of the Retrocession Premium;

(ii) In the event of a recapture upon the occurrence of the events described in Sections 7.4(a)(ii), (iii) and (iv), the Terminal Settlement Amount shall be an amount equal to (x) premiums received less claims and other amount accrued since the first day of the quarter in which the Recapture Date occurs and ending on the Recapture Date, *plus* (y) the Trust Funding Amount as of the quarter end immediately prior to the quarter in which the Recapture Date occurs.

(c) Retrocessionaire shall pay cash in an amount equal to the Terminal Settlement Amount to CGLIC within five (5) calendar days of the determination of the Terminal Settlement Amount.

(d) Subject to the payment by Retrocessionaire of the Terminal Settlement Amount to CGLIC, following a recapture pursuant to this Section 7.4, both CGLIC and Retrocessionaire will be fully and finally released from all rights and obligations under this Retrocession Agreement.

(e) In addition, ten (10) calendar days after the payment of the Terminal Settlement Amount, the Trust Account and Claims Paying Account shall be terminated and any remaining amounts or amount held therein shall be released to Retrocessionaire after the full satisfaction of the Terminal Settlement Amount.

(f) As used herein, "**Aggregate Guaranteed Minimum Death Benefit Amount**" means, with respect to any date, the sum of the amounts that would be payable under all in-force VA Contracts if each insured under such VA Contracts died on such date, and "**Aggregate Guaranteed Minimum Death Benefit Amount as of December 31, 2012**" means $16,744,000,000.

7.5 Termination by Retrocessionaire.

This Retrocession Agreement may be terminated *ab initio* at the option of Retrocessionaire in the event Retrocessionaire delivers a written notice of termination to CGLIC in accordance with the last sentence in Section 3.1(c). Upon any such termination, Retrocessionaire shall return to CGLIC cash in the sum of (i) the aggregate amount of the Retrocession Premium that has been paid to Retrocessionaire pursuant to Section 3.1 until such time of termination, *minus* (ii) two hundred million dollars ($200,000,000), *minus* (iii) interest accrued on the outstanding balance of the Funds Withheld Account pursuant to Section 3.1(c).

7.6 Dispute Resolution.

Any dispute between the Parties with respect to Sections 7.3 or 7.4, including calculations of the Recapture Payments or the Terminal Settlement Amount, that cannot be resolved by the Parties within thirty (30) calendar days, shall be resolved in accordance with Section 16.1(b).

ARTICLE VIII

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REPORTING AND DAC TAX

8.1 Reporting.

Each Party has determined that the transaction provided for in this Retrocession Agreement is properly accounted for as reinsurance for statutory accounting and federal income tax purposes and shall account for the transaction as reinsurance consistent with Applicable Law.

8.2 DAC Tax.

(a) If each of CGLIC and Retrocessionaire is subject to taxation under Subchapter L of Chapter 1 of Subtitle A of the Code, then CGLIC and Retrocessionaire shall each make the election contemplated by Section 1.848-2(g)(8) of the Treasury Regulations to determine specified policy acquisition expenses with respect to this Retrocession Agreement without regard to the general deductions limitation of Section 848(c)(1) of the Code (the "**Election**"). In such instance, each of CGLIC and Retrocessionaire agrees that (i) the Election will be effective for the taxable year of each party that includes the date hereof and for all subsequent taxable years during which this Retrocession Agreement remains in effect and (ii) it will take no action to revoke the Election.

(b) The terms used in this Section 8.2 are defined by reference to Section 1.848-2 of the Treasury Regulations in effect as of the date of this Retrocession Agreement.

(c) Each Party agrees to attach to its U.S. federal income Tax Return filed for the first taxable year ending after the Election becomes effective (and each year thereafter) a schedule that identifies this Retrocession Agreement as the subject of the Election, and each Party agrees that it will file its respective U.S. federal income Tax Returns in a manner consistent with the provisions of Treasury Regulations Section 1.848-2. The Party with the net positive consideration under this Retrocession Agreement for each taxable year shall capitalize specified policy acquisition expenses with respect to this Retrocession Agreement without regard to the general deductions limitation of Section 848(c)(1) of the Code.

(d) To ensure consistency of reporting between the Parties or as otherwise required by the Internal Revenue Service, the Parties agree to exchange information pertaining to the amount of net consideration deemed to be paid pursuant to this Retrocession Agreement deemed to exist due to the Election made pursuant to Section 8.2 of this Retrocession Agreement. CGLIC shall submit a schedule to Retrocessionaire by May 1st of each year that follows a year during which this Retrocession Agreement was in effect for any portion of such year of CGLIC' s calculations of the net consideration under this Retrocession Agreement for the preceding calendar year. Retrocessionaire may contest such calculation by providing an alternative calculation to CGLIC in writing within thirty (30) calendar days of Retrocessionaire' s receipt of CGLIC' s calculation. If Retrocessionaire does not notify CGLIC within such time that it contests the calculation, Retrocessionaire shall report the net consideration as determined by CGLIC in Retrocessionaire' s U.S. federal income Tax Return for the previous calendar year.

(e) If Retrocessionaire contests CGLIC' s calculation of the net consideration, the Parties will act in good faith to reach an agreement as to the correct amount within thirty (30) calendar days of the date Retrocessionaire submits its alternative calculation. If the Parties reach an agreement on an amount of net consideration, each Party will report the agreed upon amount in its U.S. federal income Tax Return for the previous calendar year. If, during such period, CGLIC and Retrocessionaire are unable to reach agreement, they shall within ten (10) calendar days of the expiration of the thirty (30) calendar day period set forth in this Section 8.2(e), cause the Independent Accountant promptly to review this Retrocession

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Agreement and the calculations of CGLIC and Retrocessionaire for the purpose of calculating the net consideration under this Retrocession Agreement. In making such calculation, the Independent Accountant shall consider only those items or amounts in CGLIC' s calculation as to which Retrocessionaire has disagreed. The Independent Accountant shall deliver to CGLIC and Retrocessionaire, within thirty (30) calendar days or as promptly as practicable, a report setting forth such calculation, which calculation shall result in a net consideration between the amount thereof shown in CGLIC' s calculation delivered pursuant to Section 8.2(d) and the amount thereof in Retrocessionaire' s calculation delivered pursuant to Section 8.2(d). Such report shall be an arbitral award, which shall be final and binding

upon CGLIC and Retrocessionaire and may be entered and enforced in any court having jurisdiction. The fees, costs and expenses of the Independent Accountant shall be borne (a) by CGLIC if the difference between the net consideration as calculated by the Independent Accountant and CGLIC' s calculation is greater than the difference between the net consideration as calculated by the Independent Accountant and Retrocessionaire' s calculation; (b) by Retrocessionaire if the first such difference is less than the second such difference; and (c) otherwise equally by CGLIC and Retrocessionaire.

ARTICLE IX

INSOLVENCY

9.1 Insolvency of CGLIC.

(a) Retrocessionaire hereby agrees that in the event of the insolvency, liquidation or rehabilitation of CGLIC or the appointment of a conservator, liquidator, receiver or statutory successor of CGLIC, all amounts due CGLIC under this Retrocession Agreement shall be payable by Retrocessionaire to CGLIC or any conservator, liquidator, receiver or statutory successor of CGLIC on the basis of the claims allowed against CGLIC by any court of competent jurisdiction or by any conservator, liquidator, receiver or statutory successor of CGLIC having authority to allow such claims, without diminution because of that insolvency, liquidation, rehabilitation or appointment, or because the conservator, liquidator, receiver or statutory successor has failed to pay all or a portion of any claims. Payments by Retrocessionaire as set forth in this Section shall be made directly to CGLIC or to its conservator, liquidator, receiver, or statutory successor, except where this Retrocession Agreement specifically provides another payee of such reinsurance in the event of the insolvency of CGLIC. Under no circumstances shall Retrocessionaire' s liability hereunder be accelerated or enlarged by the insolvency of CGLIC.

(b) It is agreed and understood, however, that in the event of the insolvency of CGLIC, the liquidator, receiver or statutory successor of CGLIC shall give written notice of the pendency of a claim against CGLIC for a Covered Liability within a reasonable period of time after such claim is filed in the insolvency, liquidation or rehabilitation proceedings and that during the pendency of such claim Retrocessionaire may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to CGLIC or its liquidator, receiver or statutory successor. It is further understood that the expense thus incurred by Retrocessionaire shall be chargeable, subject to court approval, against CGLIC as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to CGLIC solely as a result of the defense undertaken by Retrocessionaire.

ARTICLE X

TRUST ACCOUNT

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10.1 Establishment and Initial Funding of Trust Account.

(a) In accordance with the Trust Agreement, Retrocessionaire and NICO shall procure, with and in the name of the Trustee, a segregated trust account maintained by the Trustee (the "**Trust Account**"), to be held for the sole benefit of CGLIC pursuant to the provisions of the Trust Agreement (such trust formed thereunder, including such trust following a Reinsurance Credit Event, the "**Trust**"). The Trust Account shall secure the obligations of Retrocessionaire under this Retrocession Agreement and the obligations of NICO under the NICO Surety Policy.

(b) Assets shall be deposited into the Trust Account on the Trust Funding Date in one of two ways:

(i) If prior to the date of the Trust Funding Date, CGLIC has made partial payment(s) of the Funds Withheld Amount directly to Retrocessionaire, then (x) CGLIC, on behalf of Retrocessionaire, shall transfer, for deposit into the Trust Account, cash in the aggregate amount equal to the remaining balance of the Funds Withheld Amount and interest in accordance with Section 3.1(b), and (y) Retrocessionaire or NICO shall transfer, for deposit into the Trust Account, Eligible Assets with an aggregate Fair Market Value equal to the aggregate amount of the partial payment(s) of the Funds Withheld Amount made to Retrocessionaire by CGLIC prior to the date of the Trust Funding Date; or

(ii) CGLIC, on behalf of Retrocessionaire, shall transfer, for deposit into the Trust Account, cash equal to the Funds Withheld Amount as a single lump sum payment.

(c) If applicable, CGLIC shall transfer to the Trust Account, on behalf of Retrocessionaire, cash in the aggregate amount of 67% of the ALC Model Adjustment Amount, plus interest on such amount from and including the date hereof up to but not including the date of payment accrued at the Applicable Interest Rate, in accordance with Section 3.4.

10.2 Ongoing Funding of Trust Account Prior to a Reinsurance Credit Event.

Unless a Reinsurance Credit Event has occurred and is continuing, under no circumstances shall either Retrocessionaire or NICO be required at any time to deposit additional assets in the Trust Account other than any deposit made in connection with Section 10.1(b)(i).

10.3 Ongoing Funding of Trust Account Following the Occurrence of a Reinsurance Credit Event.

If a Reinsurance Credit Event has occurred and is continuing, CGLIC shall provide to Retrocessionaire a report specifying the Trust Funding Amount as of the end of each calendar quarter following the occurrence of a Reinsurance Credit Event (the "**Calculation Date**"). Each such report shall be provided no later than thirty (30) calendar days following each such Calculation Date. If the Trust Funding Amount for any calendar quarter exceeds the sum of the aggregate fair market value of the RCE Eligible Assets held in the Trust Account (determined as of the applicable Calculation Date), NICO and/or Retrocessionaire shall transfer RCE Eligible Assets to the Trust Account in the amount of such difference within ten (10) calendar days after receipt of such report.

10.4 Trust Assets.

(a) Prior to the occurrence of a Reinsurance Credit Event, the assets that may be held in the Trust Account shall consist of Eligible Assets. Upon the occurrence of a Reinsurance Credit Event, however, in accordance with the requirements of the Trust Agreement and Section 10.7 herewith, the assets in the Trust Account shall consist of RCE Eligible Assets.

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(b) NICO and/or Retrocessionaire shall, prior to depositing any Eligible Assets or RCE Eligible Assets, as applicable, into the Trust Account, and from time to time as required, execute all assignments and endorsements in blank, or transfer legal title to the Trustee of all shares, obligations or any other assets requiring assignment in order that the Trustee, upon direction of CGLIC, may whenever necessary negotiate any such assets without consent or signature from NICO and/or Retrocessionaire or any other entity.

(c) Pursuant to the terms of the Trust Agreement, the Trust Assets shall be held by the Trustee for the sole purpose of satisfying any undisputed payment obligations of Retrocessionaire to CGLIC with respect to the Business Covered under this Retrocession Agreement, respectively, to the extent not otherwise satisfied by Retrocessionaire or NICO.

10.5 Substitution of Trust Assets.

(a) Retrocessionaire and/or NICO may, unless a Reinsurance Credit Event has occurred and is continuing, substitute or exchange assets in the Trust Account, provided (i) any assets to be so substituted or exchanged (the "**Replacement Assets**") are Eligible Assets, (ii) the Replacement Assets are deposited in the Trust Account on the day of the substitution or exchange and (iii) the aggregate fair market value of the Replacement Assets is at least equal to the aggregate fair market value of the assets being removed from the Trust Account.

(b) If a Reinsurance Credit Event has occurred and is continuing, NICO and/or Retrocessionaire may substitute or exchange any assets in the Trust Account; provided that any such substitution or exchange shall require the prior written consent of

CGLIC, such consent not to be unreasonably withheld, delayed or denied. Notwithstanding the foregoing sentence, if a Reinsurance Credit Event has occurred and is continuing, NICO and/or Retrocessionaire shall be required to substitute or exchange assets in the Trust Account to replace Eligible Assets that are not RCE Eligible Assets with RCE Eligible Assets.

10.6 Settlements.

All settlements of account under the Trust Agreement between Retrocessionaire and CGLIC shall be made in United States dollars in cash or its equivalent.

10.7 Modification Upon Occurrence of a Reinsurance Credit Event.

(a) The Parties acknowledge and agree that, upon the occurrence of a Reinsurance Credit Event, this Retrocession Agreement, the Trust Agreement and the Trust shall be modified for that period of time for which the Reinsurance Credit Event continues to apply, to fully conform to the requirements of the laws and regulations governing credit for reinsurance in the State of Connecticut so that CGLIC receives full statutory financial credit for the reinsurance being provided hereunder.

(b) Should any Party become aware of a Reinsurance Credit Event or the likelihood of the occurrence of a Reinsurance Credit Event, such Party shall provide prompt written notice to the other either (i) certifying that a Reinsurance Credit Event has occurred or (ii) describing the circumstances and cause for such notice. In any such event, Retrocessionaire shall have the right to meet jointly with CGLIC and its domiciliary state regulator for the purpose of resolving such potential, impending or actual Reinsurance Credit Event.

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(c) Upon the occurrence of a Reinsurance Credit Event, the Parties acknowledge and agree that certain provisions of the Trust Agreement shall cease to be effective, and other provisions shall automatically become effective thereafter, as more particularly described in the Trust Agreement. In addition, any other provisions required under Applicable Law and regulations governing trusts providing full statutory financial statement credit for reinsurance ceded by life insurance companies shall be incorporated by the Parties into the Trust Agreement.

10.8 Withdrawal of Trust Assets by CGLIC Prior to the Occurrence of a Reinsurance Credit Event.

(a) Unless a Reinsurance Credit Event has occurred and is continuing, the Parties agree that Trust Assets may be withdrawn by CGLIC, and utilized and applied by CGLIC, or any successor by operation of law of CGLIC, including any liquidator or rehabilitator, receiver or conservator of CGLIC, without diminution because of insolvency on the part of CGLIC or Retrocessionaire, to pay or reimburse CGLIC for any undisputed amounts due to CGLIC under the terms and conditions of this Retrocession Agreement and unpaid by both Retrocessionaire pursuant to this Retrocession Agreement and NICO following a claim under the NICO Surety Policy.

(b) Notwithstanding the foregoing, CGLIC shall withdraw Trust Assets under Section 10.8(a) only (i) if there are no remaining funds in the Claims Paying Account and (ii) after providing written notice to Retrocessionaire not less than five (5) Business Days in advance of the requested withdrawal.

(c) CGLIC shall return to the Trust Account, within five (5) Business Days, assets withdrawn in excess of all amounts due under Section 10.8(a). Any such excess amount shall at all times be held by CGLIC (or any successor by operation of law of CGLIC, including any liquidator, rehabilitator, receiver or conservator of CGLIC) in trust for the benefit of Retrocessionaire and be maintained in a segregated account, separate and apart from any assets of CGLIC for the sole purpose of funding the payments and reimbursements described in Section 10.8(a).

10.9 Withdrawal of Trust Assets by CGLIC After the Occurrence of a Reinsurance Credit Event.

(a) If a Reinsurance Credit Event has occurred and is continuing, the Parties agree that the Trust Assets may only be withdrawn by CGLIC, and utilized and applied by CGLIC, or any successor by operation of law of CGLIC including any liquidator or rehabilitator, receiver or conservator of CGLIC, without diminution because of insolvency on the part of CGLIC or Retrocessionaire, for one or more of the following purposes:

(i) to pay for Retrocessionaire' s share of premiums returned to ceding companies of the Covered Contracts because of cancellations of such contracts to the extent same constitute Ultimate Net Loss hereunder;

(ii) to pay for Retrocessionaire' s share of benefits or losses paid by CGLIC pursuant to the provisions of the Covered Contracts to the extent same constitute Ultimate Net Loss hereunder;

(iii) where CGLIC has received notification of the termination of the Trust Account and where Retrocessionaire' s entire obligations under this Retrocession Agreement remain unliquidated and undischarged ten (10) calendar days prior to the termination date, to fund an account with CGLIC in an amount at least equal to the deduction, for reinsurance ceded, from CGLIC' s liabilities for the Covered Liabilities; and

(iv) to pay any other amounts CGLIC claims are due under this Retrocession Agreement.

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(b) CGLIC shall not be required to provide notice to, or obtain the consent of, NICO or Retrocessionaire prior to withdrawing any amounts in accordance with Section 10.9(a).

(c) CGLIC shall return to the Trust Account, within five (5) Business Days, assets withdrawn in excess of all amounts due under Sections 10.9(a)(i), (ii) and (iv), or, in the case of Section 10.9(a)(iii), assets that are subsequently determined not to be due.

Any such excess amount shall at all times be held by CGLIC (or any successor by operation of law of CGLIC, including any liquidator, rehabilitator, receiver or conservator of CGLIC) in trust for the benefit of Retrocessionaire and be maintained in a segregated account, separate and apart from any assets of CGLIC for the sole purpose of funding the payments and reimbursements described in paragraphs (i), (ii) and (iv) of Section 10.9(a). CGLIC shall pay interest in cash to Retrocessionaire on the amount withdrawn, equal to the actual amount of interest, dividends, and other income earned on the assets in such segregated account.

10.10 Withdrawal of Trust Assets by Retrocessionaire Prior to the Occurrence of a Reinsurance Credit Event.

Unless a Reinsurance Credit Event has occurred and is continuing, NICO and/or Retrocessionaire may withdraw assets from the Trust Account only if the aggregate fair market value of the Eligible Assets in the Trust Account as of any Calculation Date exceeds an amount equal to one hundred twenty percent (120%) of the Trust Funding Amount as of such date. Retrocessionaire shall provide written notice to CGLIC and the Trustee of its desire to withdraw assets from the Trust Account in an amount not to exceed such excess, specifying the amount and type of assets to be withdrawn. Within five (5) Business Days following delivery of such written notice to CGLIC and the Trustee, Retrocessionaire may, without further notice to, or consent of, CGLIC, direct the Trustee to withdraw assets from the Trust Account in accordance with such notice.

10.11 Withdrawal of Trust Assets by Retrocessionaire Following the Occurrence of a Reinsurance Credit Event.

If a Reinsurance Credit Event has occurred and is continuing, Retrocessionaire may withdraw assets from the Trust Account only if the aggregate fair market value of the RCE Eligible Assets in the Trust Account at the end of any calendar quarter exceeds an amount equal to one hundred two percent (102%) of the Trust Funding Amount, as determined on the applicable Calculation Date, and then only with the prior written consent of CGLIC, which shall not be unreasonably withheld, delayed or denied.

ARTICLE XI

SALVAGE AND SUBROGATION

11.1 Salvage and Subrogation.

Retrocessionaire shall be subrogated to all rights of CGLIC against any Person or other entity who may be legally responsible in damages constituting Ultimate Net Loss for which Retrocessionaire shall actually pay, or become liable to pay, on or after the Effective Time (but only to the extent of the amount of payment by, or the amount of liability of, Retrocessionaire). The rights of Retrocessionaire and the obligations of CGLIC under this Section 11.1 shall immediately terminate at such time as Retrocessionaire shall have paid to CGLIC under this Retrocession Agreement an aggregate amount of Ultimate Net Loss equal to the Aggregate Limit.

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11.2 Expenses.

In determining the amount of salvage or subrogation, there shall first be deducted from any amount recovered the out-of-pocket expenses incurred by CGLIC in effecting the recovery (including, without limitation, all court, arbitration, mediation or other dispute resolution costs, attorneys' fees and expenses but excluding overhead, salaries and expenses of officers and employees of CGLIC and similar internal costs), except to the extent otherwise paid or reimbursed by Retrocessionaire hereunder.

ARTICLE XII

THIRD PARTY RETROCESSION AGREEMENTS

12.1 Third Party Retrocession Recoverables.

(a) All amounts payable by retrocessionaires under the Third Party Retrocessional Agreements ("**Third Party Retrocession Recoverables**") will inure solely to the benefit of CGLIC. Unless there is a transfer of administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements, the collection of any Third Party Retrocession Recoverables shall be the sole responsibility of CGLIC. Following any transfer of administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements to Retrocessionaire, Retrocessionaire shall become responsible for the collection of Third Party Retrocession Recoverables; provided CGLIC may, at its sole discretion, decide to retain or resume (if responsibility has at any prior time been relinquished) responsibility for such collection, it being understood that the risk of uncollectability shall remain with CGLIC at all times.

(b) The Parties agree and acknowledge that the reinsurance being provided by Retrocessionaire under this Retrocession Agreement is net of any amounts which are payable under the Third Party Retrocessional Agreements on or after the Effective Time, without regard to whether such agreements are in effect or not. Accordingly, the reinsurance being provided by Retrocessionaire under this Retrocession Agreement shall be unaffected by any amendments to or cancellations of the Third Party Retrocessional Agreements on or after the Effective Time, including termination or recapture of the liabilities that were ceded by CGLIC under the Third Party Retrocessional Agreements. For the avoidance of doubt, even if any Third Party Retrocessional Agreements are recaptured or otherwise terminated after the date hereof, (i) any Additional Consideration to which Retrocessionaire is entitled pursuant to Section 3.2 of this Retrocession Agreement after any such termination shall continue to be net of any amounts that would have otherwise been paid or payable to the retrocessionaires under the Third Party Retrocessional Agreements and (ii) Ultimate Net Loss shall continue to be net of amounts would have otherwise been paid or payable by the third party retrocessionaires under the Third Party Retrocessional Agreements.

ARTICLE XIII

REINSURANCE CREDIT

13.1 Reinsurance Credit.

(a) Retrocessionaire shall, at its own expense, be required to take all steps (including the posting of letters of credit or other acceptable security) necessary to comply with all Applicable Laws in the State of Connecticut so as to permit CGLIC to obtain Reserve Credit for the reinsurance provided by this Retrocession Agreement throughout the entire term of this Retrocession Agreement to the extent Reserve Credit is not otherwise available under such Applicable Law. Any event that

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results in CGLIC being unable to obtain Reserve Credit on its Statutory Financial Statements at any point in time during the term of this Retrocession Agreement shall be referenced herein as a "**Reinsurance Credit Event**." Retrocessionaire shall promptly notify CGLIC of any event or change or condition that will reasonably likely result in a Reinsurance Credit Event.

(b) It is understood and agreed that any term or condition required by such Applicable Law in the State of Connecticut to be included in this Retrocession Agreement for CGLIC to receive Reserve Credit shall be deemed to be incorporated in this Retrocession Agreement by reference. Furthermore, the Parties agree to amend this Retrocession Agreement or enter into other agreements or execute additional documents as needed to comply with the credit for reinsurance laws and regulations and/or the requirements of the applicable Governmental Authorities in the State of Connecticut. To the extent that any other agreements or additional documents are deemed by Retrocessionaire to increase or accelerate its liabilities hereunder or otherwise adversely impact the economics of this Retrocession Agreement as respects Retrocessionaire, Retrocessionaire shall be afforded the opportunity to investigate alternatives for accomplishing the Reserve Credit objectives set forth herein; provided, however, any such investigation of alternatives shall not cause CGLIC to incur a Schedule S penalty or otherwise fail to receive Reserve Credit in a timely manner.

(c) Notwithstanding anything contained in this Section 13.1, in the event that (i) there is a repeal of or amendment to the provisions of the Dodd−Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173) that would authorize a Governmental Authority in any non-domiciliary jurisdiction of the United States where CGLIC is licensed to transact business to apply the applicable rules for credit for reinsurance in such jurisdiction to CGLIC, and (ii) CGLIC reasonably determines following consultation with Retrocessionaire that it is obligated under Applicable Law to comply with such rules in order to receive Reserve Credit on CGLIC' s statutory financial statements in any such jurisdiction, then Sections 13.1(a) and 13.1(b) hereof shall automatically be deemed to be amended without any action by the Parties to require that Retrocessionaire shall take all steps necessary so as to enable CGLIC to obtain Reserve Credit on CGLIC' s statutory financial statements in any such jurisdiction in addition to the State of Connecticut.

(d) The Parties agree and acknowledge that nothing in this ARTICLE XIII shall require the Parties to modify the terms of this Retrocession Agreement relating to the Aggregate Limit.

ARTICLE XIV

REGULATORY MATTERS

14.1 Regulatory Matters.

(a) If CGLIC or Retrocessionaire receives notice of, or otherwise becomes aware of any inquiry, investigation, examination, audit or proceeding by Governmental Authorities relating to the Covered Contracts, the Covered Liabilities or the reinsurance provided hereunder, CGLIC or Retrocessionaire, as applicable, shall promptly notify the other Party thereof, whereupon the Parties shall cooperate to resolve such matter in accordance with the terms of Section 4.5.

(b) If CGLIC or Retrocessionaire receives notice of, or otherwise becomes aware of any enforcement action by any Governmental Authority arising out of any inquiry, investigation, examination, audit or proceeding by such Governmental Authority, CGLIC or Retrocessionaire, as applicable, shall promptly notify the other Party thereof, and the Parties shall cooperate to resolve such matter.

ARTICLE XV

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ERRORS AND OMISSIONS

15.1 Errors and Omissions.

Inadvertent delays, errors or omissions made in connection with this Retrocession Agreement or any transaction hereunder shall not relieve either Party from any liability which would have attached had such delay, error or omission not occurred, provided that such error or omission is rectified as soon as possible after discovery, and provided, further, that the Party making such error or omission or responsible for such delay shall be responsible for any additional liability which attaches as a result. If (a) the failure of either Party to comply with any provision of this Retrocession Agreement is unintentional or the result of a misunderstanding or oversight and (b) such failure to comply is promptly rectified after discovery, both Parties shall be restored as closely as possible to the positions they would have occupied if no error or oversight had occurred.

ARTICLE XVI

DISPUTE RESOLUTION

16.1 Dispute Resolution.

(a) Any and all disputes arising under Section 4.3 shall be submitted to the Independent Accountant. Each of CGLIC and Retrocessionaire shall prepare separate

written reports of such item or items in dispute and refer such reports to the Independent Accountant. CGLIC and Retrocessionaire acknowledge and agree that in making any determination, the Independent Accountant shall be limited to choosing between the positions set forth by each Party and that the Independent Accountant shall have no discretion to make any other determinations. The Independent Accountant' s determinations shall have the same preclusive effect for all purposes as if such determinations had been embodied in a final judgment, no longer subject to appeal, entered by a court of competent jurisdiction, and each of CGLIC and Retrocessionaire may petition any court identified pursuant to Section 18.7 to reduce such decision to judgment.

(b) The provisions of Section 16.1(a) shall apply *mutatis mutandis* to any disputes arising under Sections 7.3 or 7.4 (after substituting any references to "Independent Accountant" for references to "Independent Actuary").

ARTICLE XVII

INDEMNIFICATION

17.1 Retrocessionaire' s Obligation to Indemnify.

(a) Without limiting any provisions of Section 4.4(b) hereof, Retrocessionaire hereby agrees to indemnify, defend and hold harmless CGLIC, its Affiliates and their respective stockholders, directors, officers, employees, representatives, successors and permitted assigns (collectively, the "**CGLIC Indemnified Parties**") from and against all Losses asserted against, imposed upon or incurred by any CGLIC Indemnified Party in connection with or arising from: (a) any breach or nonfulfillment by Retrocessionaire of, or any failure by Retrocessionaire to perform, any of the material covenants, terms or conditions of, or any material duties or obligations under, this Retrocession Agreement; (b) CGLIC' s actions taken at the written recommendation or direction of Retrocessionaire; (c) any fraud, theft or embezzlement by officers, employees or agents of Retrocessionaire or its Affiliates affecting the Covered Contracts or Third Party Retrocessional Agreements during

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the term of this Retrocession Agreement; (d) Retrocessionaire’ s denial of approval for changes to the Covered Contracts pursuant to Section 2.4 and (e) any enforcement of this indemnity.

(b) Notwithstanding anything to the contrary in the foregoing, provided Retrocessionaire uses its reasonable best efforts to support the accounting treatment contemplated by Section 8.1, Retrocessionaire shall have no liability whatsoever with respect to Losses asserted against, imposed upon or incurred by any CGLIC Indemnified Party in connection with or arising from any breach or nonfulfillment by Retrocessionaire, or any failure by Retrocessionaire to perform, any obligation of Retrocessionaire under Section 8.1, to the extent that any such breach, non-fulfillment or failure results from (i) any formal determination by any applicable Governmental Authority that the accounting treatment contemplated by Section 8.1 is prohibited by Applicable Law or (ii) the written advice of Retrocessionaire’ s outside accounting firm that such accounting treatment would be prohibited by Applicable Law.

17.2 CGLIC’ s Obligation to Indemnify.

(a) CGLIC hereby agrees to indemnify, defend and hold harmless Retrocessionaire, its Affiliates, and their respective stockholders, directors, officers, employees, representatives, successors and permitted assigns (collectively, the “**Retrocessionaire Indemnified Parties**”) from and against all Losses asserted against, imposed upon or incurred by any Retrocessionaire Indemnified Party in connection with or arising from: (i) the Excluded Liabilities; (ii) subject to Section 17.2(b), any breach or nonfulfillment by CGLIC of, or any failure by CGLIC to perform, any of the material covenants, terms or conditions of, or any material duties or obligations under, this Retrocession Agreement; (iii) any fraud, theft or embezzlement by officers, employees or agents of CGLIC or its Affiliates affecting the Covered Contracts or Third Party Retrocessional Agreements during the term of this Retrocession Agreement; and (iv) any enforcement of this indemnity; provided, however, CGLIC shall have no obligation to indemnify, defend or hold harmless the Retrocessionaire Indemnified Parties for any matter relating to (x) Reserves, (y) Tax Reserves, or (z) statutory accounting or GAAP accounting for which CGLIC provided services under Schedule 4.1.

(b) Notwithstanding anything to the contrary in the foregoing, CGLIC shall have no liability whatsoever with respect to Losses asserted against, imposed upon or incurred by any Retrocessionaire Indemnified Party in connection with or arising from any breach or nonfulfillment by CGLIC, or any failure by CGLIC to perform, any obligation of CGLIC under ARTICLE IV, provided, however, should Retrocessionaire elect to assume the administration of the Covered Contracts, Covered Liabilities and Third Party Retrocessional Agreements from CGLIC pursuant to Section 4.7(a), CGLIC shall promptly pay to Retrocessionaire five million dollars ($5,000,000) as liquidated damages.

17.3 Indemnification Procedures.

In the event of a claim for indemnification hereunder, the Parties to this Retrocession Agreement shall follow the indemnification procedures set forth in Section 7.4 of the Master Transaction Agreement with respect to the adjudication of such claim.

17.4 Exclusive Remedy.

Except as set forth in (i) the Master Transaction Agreement, (ii) Section 3.3, (iii) Section 18.11 or (vi) ARTICLE XVI, this ARTICLE XVII sets forth the sole and exclusive remedy for any breach, inaccuracy, violation or nonfulfillment of this Retrocession Agreement (including any representation, warranty, covenant, obligation, other agreement or condition contained in this Retrocession Agreement), regardless of whether a claim or counterclaim is based in tort, contract or any other legal theory, or arises under Applicable Law or in equity. In furtherance of the foregoing, each Party hereby waives, from and after the Effective Time, to the fullest extent permitted under Applicable Law, any and all rights, claims, counterclaims and causes of action (other than claims or counterclaims of,

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or causes of action arising from, fraud) it may have against any the other Party arising under or based upon this Retrocession Agreement,

any Applicable Law, common law or otherwise, except as set forth in (i) the Master Transaction Agreement, (ii) Section 3.3, (iii) Section 18.11, (iv) ARTICLE XVI or (v) this ARTICLE XVII.

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

18.1 Notices.

Any notice, request, demand, waiver, consent, approval or other communication required or permitted to be given by any Party hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission, sent by registered or certified mail, postage prepaid, or sent by a standard overnight courier of national reputation with written confirmation of delivery. Any such notice shall be deemed given when so delivered personally, or if sent by facsimile transmission, on the date received (provided that any notice received after 5:00 p.m. (addressee' s local time) shall be deemed given at 9:00 a.m. (addressee' s local time) on the next Business Day), or if mailed, on the date shown on the receipt therefor, or if sent by overnight courier, on the date shown on the written confirmation of delivery. Such notices shall be given to the following address:

If to CGLIC:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mark Parsons
Senior Vice President
Telephone: (860) 226-8350
Fax: (860) 226-4074
Email: Mark.Parsons@Cigna.com

with copies (which shall not constitute notice) to:

Connecticut General Life Insurance Company
900 Cottage Grove Road
Bloomfield, CT 06002
Attention: Mary Carey
Senior Counsel
Telephone: (860) 226-9824
Fax: (860) 226-8942
Email: Mary.Carey@Cigna.com

and

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Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: Robert J. Sullivan
J. Stephanie Nam
Telephone: (212) 735-3000
Fax: (917) 777-2930
Email: Robert.Sullivan@skadden.com
Stephanie.Nam@skadden.com

If to Retrocessionaire:

Berkshire Hathaway Reinsurance Group
100 First Stamford Place
Stamford, CT 06902
Attention: Stephen McArthur
Telephone: (416) 263-7576
Fax: (203) 363-5221
Email: StephenMcArthur@bhlifere.com

with copies (which shall not constitute notice) to:

Berkshire Hathaway Reinsurance Division
100 First Stamford Place
Stamford, CT 06902
Attention: Brian Snover
Vice President and General Counsel
Telephone: (203) 363-5211
Fax: (203) 363-5221
Email: bsnover@berkre.com

and

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Attention: Donald B. Henderson, Jr.
Telephone: (212) 728-8000
Fax: (212) 728-9262
Email: dhenderson@willkie.com

Any Party may change its notice provisions on fifteen (15) calendar days' advance notice in writing to the other Party.

18.2 **Entire Agreement**.

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This Retrocession Agreement (including the exhibits and schedules hereto), the Transaction Documents and any other documents delivered pursuant hereto or thereto, constitute the entire agreement among the Parties and their respective Affiliates with respect to the subject matter hereof and supersede all prior negotiations, discussions, writings, agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof and thereof.

18.3 Waiver and Amendment.

This Retrocession Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by an instrument in writing signed by the Parties hereto, or, in the case of a waiver, by the Party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The failure of any Party to insist on compliance with any obligation contained in this Retrocession Agreement or to exercise any right or remedy hereunder shall not constitute a waiver of any right or remedy contained herein nor stop any Party from thereafter demanding full and complete compliance nor prevent any Party from exercising such right or remedy in the future. No waiver of any breach of this Retrocession Agreement shall be held to constitute a waiver of any other or subsequent breach.

18.4 Successors and Assigns.

The rights and obligations of the Parties under this Retrocession Agreement shall not be subject to assignment without the prior written consent of the other Party, and any attempted assignment without the prior written consent of the other Party shall be invalid *ab initio*. The terms of this Retrocession Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the successors and permitted assigns of the Parties.

18.5 Headings.

The headings and table of contents of this Retrocession Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

18.6 Construction; Interpretation.

CGLIC and Retrocessionaire have participated jointly in the negotiation and drafting of this Retrocession Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Retrocession Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Retrocession Agreement. No prior draft of this Agreement nor any course of performance or course of dealing shall be used in the interpretation or construction of this Agreement. When a reference is made to an Article, Section, Schedule or Exhibit, such reference shall be to an Article, Section, Schedule or Exhibit of or to this Retrocession Agreement unless otherwise indicated. Whenever the words “include”, “includes” or “including” are used in this Retrocession Agreement, they shall be deemed to be

followed by the words “without limitation.” The word “Retrocession Agreement,” means this Retrocession Agreement as amended or supplemented, together with all Exhibits and Schedules attached hereto or incorporated by reference, and the words “hereof,” “herein,” “hereto,” “hereunder” and other words of similar import shall refer to this Retrocession Agreement in its entirety and not to any particular Article, Section or provision of this Retrocession Agreement. The references to “$” shall be to United States dollars. Reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, and all rules and regulations promulgated thereunder. References to a Person are also to its successors (including by reason of merger, consolidation or otherwise) and permitted assigns.

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18.7 Governing Law and Jurisdiction.

This Retrocession Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to such state' s principles of conflict of laws that could compel the application of the laws of another jurisdiction. EXCEPT AS PROVIDED IN SECTION 3.3 OR ARTICLE XVI, EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DISTRICT COURT OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF CONNECTICUT, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS RETROCESSION AGREEMENT; PROVIDED, HOWEVER, THAT, IF SAID COURT DETERMINES THAT IT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THEN SAID ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN THE COURTS OF THE STATE OF CONNECTICUT. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL ADDRESSED TO SUCH PARTY SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST SUCH PARTY IN ANY SUCH COURT. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO AGREES THAT FINAL, NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON SUCH PARTY AND MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION OVER SUCH PARTY OR ANY OF ITS ASSETS. EACH PARTY AGREES TO WAIVE ANY REQUIREMENT FOR THE POSTING OF A BOND OR FOR THE POSTING OF ANY SECURITY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

18.8 No Third Party Beneficiaries.

Nothing in this Retrocession Agreement is intended or shall be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or in respect of this Retrocession Agreement or any provision contained herein.

18.9 Counterparts.

This Retrocession Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument binding upon all of the Parties notwithstanding the fact that all Parties are not signatory to the original or the same counterpart. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. Each counterpart may be delivered by facsimile transmission, which transmission shall be deemed delivery of an originally executed document.

18.10 Severability.

Any term or provision of this Retrocession Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Retrocession Agreement or affecting the validity or enforceability of any of the terms or provisions of this Retrocession Agreement in any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. If any provision of this Retrocession Agreement is so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable. In the event of such invalidity or unenforceability of any term or provision of this Retrocession Agreement, the Parties shall use their commercially reasonable efforts to reform such terms or provisions to carry out the commercial intent of the Parties as reflected herein, while curing the circumstance giving rise to the invalidity or unenforceability of such term or provision.

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18.11 Specific Performance.

Each of the Parties acknowledges and agrees that the other Party would be irreparably damaged in the event that any of the provisions of this Retrocession Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached, violated or unfulfilled. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent noncompliance with, or breaches or violations of, the provisions of this Retrocession Agreement by the other Party and to enforce specifically this Retrocession Agreement and the terms and provisions hereof in any action instituted in accordance with Section 18.7, in addition to any other remedy to which such Party may be entitled, at law or in equity, without being required to post bond or furnish other security. In the event that any action is brought in equity to enforce the provisions of this Retrocession Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (i) by seeking the remedies provided for in this Section 18.11, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Retrocession Agreement, and (ii) nothing contained in this Section 18.11 shall require any Party to institute any action for (or limit any Party' s right to institute any action for) specific performance under this Section 18.11 before exercising any termination right under ARTICLE VII nor shall the commencement of any action pursuant to this Section 18.11 or anything contained in this Section 18.11 restrict or limit any Party' s right to terminate this Retrocession Agreement in accordance with the terms of

ARTICLE VII or pursue any other remedies under this Retrocession Agreement that may be available then or thereafter.

18.12 Waiver of Jury Trial.

EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS RETROCESSION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS RETROCESSION AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS RETROCESSION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS RETROCESSION AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 18.12.

18.13 Incontestability.

In consideration of the mutual covenants and agreements contained herein, each Party does hereby agree that this Retrocession Agreement, and each and every provision hereof, is and shall be enforceable by and between them according to its terms, and each Party does hereby agree that it shall not contest in any respect the validity or enforceability hereof.

18.14 Set-Off.

Any debts or credits, matured or unmatured, liquidated or unliquidated, regardless of when they arose or were incurred, in favor of or against either of CGLIC or Retrocessionaire with respect to this Retrocession Agreement, the Master Transaction Agreement or any other Ancillary Agreement are deemed mutual debts or credits, as the case may be, and shall be set off, and only the net balance shall be allowed or paid.

18.15 Currency.

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All financial data required to be provided pursuant to the terms of this Retrocession Agreement shall be expressed in United States dollars. All payments and all settlements of account between the Parties shall be in United States currency unless otherwise agreed by the Parties.

18.16 Waiver of Duty of Utmost Good Faith.

Other than in connection with claims or counterclaims of, or causes of action arising from, fraud, each Party absolutely and irrevocably waives resort to the duty of "utmost good faith" or any similar principle of heightened disclosure or fiduciary duties in connection with the negotiation and/or execution of this Retrocession Agreement. Notwithstanding anything in this Retrocession Agreement or the Transaction Documents to the contrary, each Party agrees

that it does not waive the duty of "utmost good faith" or any similar principle of heightened disclosure or fiduciary duties relating to the conduct of the Parties after the Effective Time.

[Remainder of Page Intentionally Left Blank − Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereby execute this Retrocession Agreement as of the day and year first set forth above.

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: ______________________________

Name: Mark Parsons
Title: Senior Vice President

[Signatures Continue onto Next Page]

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA

By: ______________________________

Name: Michael Lawler
Title: Vice President

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Schedule 3.4(b)

ALC Model Adjustment Amount

If the ALC Model Differential is positive, CGLIC will deposit an amount in cash equal to 67% of the ALC Model Differential, plus interest on such amount from and including the date hereof up to but not including the date of payment accrued at the Applicable Interest Rate, directly into the Trust Account and will pay an amount in cash equal to 33% of the ALC Model Differential, plus interest on such amount from and including the date hereof up to but not including the date of payment accrued at the Applicable Interest Rate together with interest, directly to Retrocessionaire, in each case, within five (5) calendar days after the Independent Actuary issues the Final ALC Determination; provided that CGLIC will not be required to pay any amount in connection with the foregoing unless the absolute value of the ALC Model Differential exceeds $100,000,000, in which case CGLIC will only be liable for the portion in excess of $25,000,000. The aggregate amount paid by CGLIC in connection with the foregoing will be referred to as the "**ALC Model Adjustment Amount**." In no event shall the ALC Model Adjustment Amount be greater than $450,000,000.

EXECUTION COPY

THIS SECURITY AND CONTROL AGREEMENT (as amended, modified, supplemented and/or restated from time to time, the "**Security and Control Agreement**") is made and entered into as of February 27, 2013, by and among **Berkshire Hathaway Life Insurance Company of Nebraska**, a Nebraska life insurance company (together with any successors or assigns, "**BHLN**") and **National Indemnity Company**, a Nebraska property and casualty insurance company (together with any successors or assigns, "**NICO**" and, collectively with BHLN, the "**Grantor**"), **Wells Fargo Bank, National Association**, as trustee (together with any successors and assigns, the "**Trustee**"), **Connecticut General Life Insurance Company**, a Connecticut life insurance company (together with its successors and assigns, the "**Secured Party**") and **Wells Fargo Bank, National Association**, a national banking association organized under the laws of the United States (together with any successors or assigns, the "**Securities Intermediary**").

WITNESSETH:

WHEREAS, BHLN, the Secured Party and NICO (solely for purposes of Sections 3.10, 6.1, 6.3, 6.4, and 6.6 and Articles II, V, VII and VIII thereof), have entered into the Master Transaction Agreement, dated as of February 4, 2013 (as amended, restated, supplemented and/or modified from time to time) (the "**Master Transaction Agreement**");

WHEREAS, as contemplated by the Master Transaction Agreement, BHLN and the Secured Party have entered into the Retrocession Agreement, dated as of February 4, 2013 (as amended, restated, supplemented and/or modified from time to time) (the "**Retrocession Agreement**"), which provides that the Secured Party will cede to BHLN, and BHLN will reinsure, on a one hundred percent (100%) coinsurance basis, all losses, liabilities and expenses included within the definition of Covered Liabilities paid or payable by the Secured Party on or after the Effective Time, net of any amounts payable under the Third Party Retrocessional Agreements;

WHEREAS, as contemplated by the Master Transaction Agreement, NICO, BHLN and the Secured Party have entered into the Surety Policy, dated as of February 4, 2013 (the "**Surety Policy**"), whereby NICO assumes certain obligations including guaranteeing to the Secured Party the payment and performance of certain obligations of BHLN under the Retrocession Agreement;

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WHEREAS, as contemplated by the Retrocession Agreement, the Grantor, the Secured Party and the Trustee, have entered into the Trust Agreement dated as of February 27, 2013 (as amended, restated, supplemented and/or modified from time to time) (the "**Trust Agreement**"), pursuant to which BHLN and NICO have established the Trust Account (as defined below) for the purpose of satisfying their obligations under the Retrocession Agreement and the Surety Policy, respectively; and

WHEREAS, the parties hereto desire that the Secured Party have a security interest and continuing lien on the Grantor' s right, title and interest in the Collateral (as defined below).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I.

DEFINITIONS; CONSTRUCTION

Section 1.1. **Definitions**. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Retrocession Agreement. The following terms shall have the following meanings when used in this Security and Control Agreement:

"**BHLN**" has the meaning set forth in the Preamble.

"**Collateral**" has the meaning set forth in Section 2.2.

"**Event of Default**" means the occurrence or continuance of: (i) the Secured Party' s receipt of a notification of the termination of the Trust Account and such termination is being attempted without the consent of the Secured Party, and where BHLN' s entire obligations under the Retrocession Agreement remain unliquidated and undischarged ten (10) calendar days prior to the termination date; or (ii) both (A) any Grantor Event of Default and (B) any of the following events, acts, occurrences or conditions, whether such event, act, occurrence or condition is voluntary or involuntary or results from the operation of law or pursuant to or as a result of compliance by any Person with any judgment, decree, order, rule or regulation of any court or administrative or governmental body:

(a) an Insolvency Event of NICO;

(b) any final arbitration award, court order, decision or judgment with no appeal or stay pending has been issued against BHLN or NICO in favor of the Secured Party under the Retrocession Agreement or Surety Policy, as applicable, that remains unperformed or unpaid by the Grantor for at least ten (10) Business Days; and

(c) the acknowledgment in writing by BHLN or NICO of its obligation to perform or pay any obligation under the Retrocession Agreement or Surety Policy, as applicable, in accordance with the terms of such agreement, and such obligation remains unperformed or unpaid by the Grantor for at least ten (10) Business Days.

"**Event of Default Notice**" has the meaning set forth in Section 2.6.

"**Grantor**" has the meaning set forth in the Preamble.

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“**Grantor Event of Default**” means the occurrence or continuance of any of the following events, acts, occurrences or conditions, pursuant to, and in accordance with, the applicable provisions in the Retrocession Agreement, whether such event, act, occurrence or condition is voluntary or involuntary or results from the operation of law or pursuant to or as a

result of compliance by any Person with any judgment, decree, order, rule or regulation of any court or administrative or governmental body:

(a) an Insolvency Event of BHLN;

(b) following a Reinsurance Credit Event, the Grantor’ s failure to deposit into the Trust Account such additional assets by the Grantor with an aggregate fair market value as are necessary to ensure that the aggregate fair market value of the RCE Eligible Assets held in the Trust Account is no less than the RCE Funding Amount as of the immediately prior calendar quarter end; or

(c) the Grantor’ s failure to pay or reimburse the Secured Party for any amounts due and payable to the Secured Party by the Grantor under the terms and conditions of the Retrocession Agreement and the Surety Policy, whether such events, acts, occurrences or conditions are voluntary or involuntary or result from the operation of law or pursuant to or as a result of compliance by any Person with any judgment, decree, order, rule or regulation of any court or administrative or governmental body.

“**Insolvency Event**” means the occurrence or continuance of any of the following events, acts, occurrences or conditions, whether such event, act, occurrence or condition is voluntary or involuntary or results from the operation of law or pursuant to or as a result of compliance by any Person with any judgment, decree, order, rule or regulation of any court or administrative or governmental body: (i) either Grantor shall commence a voluntary case concerning itself under any insolvency laws or otherwise commence any other proceeding under any bankruptcy, rehabilitation, liquidation, conservation, dissolution, reorganization, arrangement, adjustment of debt, relief of debtors, insolvency or similar law of any jurisdiction whether now or hereafter in effect relating to such Grantor (any of the foregoing, an “**Insolvency Proceeding**”); (ii) an involuntary Insolvency Proceeding is commenced against either Grantor and such Insolvency Proceeding is not controverted within ten (10) calendar days, or is not dismissed within thirty (30) calendar days, after commencement of the case; (iii) a receiver or liquidator is appointed for, or takes charge of, all or substantially all of the property of either Grantor; (iv) any order for relief or other order approving any such case or proceeding is entered with respect to either Grantor; (v) either Grantor is adjudicated insolvent or bankrupt; (vi) either Grantor suffers any appointment of any custodian or the like for it or any substantial part of its property, which appointment continues undischarged or unstayed for a period of thirty (30) calendar days; (vii) either Grantor makes a general assignment for the benefit of creditors; (viii) either Grantor shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; (ix) either Grantor shall call a meeting of its creditors with a view of arranging a composition or adjustment of its debts; (x) either Grantor shall by any act or failure to act consent to, approve of or acquiesce in any of the foregoing; or (xi) any corporate action is taken by either Grantor for the purpose of effecting any of the foregoing items (i)-(x).

“**Master Transaction Agreement**” has the meaning set forth in the Recitals.

“**NICO**” has the meaning set forth in the Preamble.

“**Person**” means and includes any individual, partnership, joint venture, firm, corporation, association, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

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"**Proceeds**" means "proceeds" as such term is defined in the UCC.

"**Reinsurance Credit Event**" has the meaning set forth in the Retrocession Agreement.

"**Retrocession Agreement**" has the meaning set forth in the Recitals.

"**Secured Obligations**" means all of the Grantor' s payment and performance obligations arising under or in connection with the Retrocession Agreement and the Surety Policy.

"**Secured Party**" has the meaning set forth in the Preamble.

"**Securities Intermediary**" has the meaning set forth in the Preamble.

"**Security and Control Agreement**" has the meaning set forth in the Preamble.

"**Security Entitlement**" means "security entitlement" as defined in the UCC.

"**Surety Policy**" has the meaning set forth in the Recitals.

"**Termination Date**" has the meaning set forth in Section 6.8.

"**Trust Account**" has the meaning set forth in Section 2.1.

"**Trust Agreement**" has the meaning set forth in the Recitals.

"**Trustee**" has the meaning set forth in the Recitals.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York.

ARTICLE II.

TRUST ACCOUNT; GRANT OF SECURITY INTEREST; CONTROL

Section 2.1. **Establishment and Maintenance of the Trust Account**. The Securities Intermediary hereby confirms and agrees that:

(a) (i) it has established the account number [•] with account name "[•]" (said account, together with any replacements thereof or substitutions therefor, the "**Trust Account**") and (ii) the Trust Account is a "securities account" (as defined in the UCC) in respect of which the Securities Intermediary is a "securities intermediary" (as defined in the UCC) and the Grantor is the "entitlement holder" (as defined in the UCC);

(b) it shall not change the entitlement holder or account number of the Trust Account without prior written consent of the Secured Party; and

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(c) each item of property (whether cash, a security, an instrument or any other property whatsoever) credited to the Trust Account shall be treated as a "financial asset" under Article 8 of the UCC.

Section 2.2. **Grant of Security Interest**. As security for the prompt and complete payment, reimbursement and performance when due in full of all the Secured Obligations, each of BHLN and NICO hereby grants to the Secured Party, a security interest in and continuing lien on all of its right, title and interest in, to and under the following, in each case, whether now owned or existing or hereafter acquired or arising, and wherever located (all of which being hereinafter collectively called the "**Collateral**"):

(a) the Trust Account;

(b) all Security Entitlements carried in the Trust Account; and

(c) all Proceeds of any or all of the foregoing.

Section 2.3. **Registration of Securities, etc.**. All securities and other financial assets credited to the Trust Account that are in registered form or that are payable to or to the order of the Grantor shall be (a) registered in the name of, or payable to or to the order of, the Securities Intermediary or (b) endorsed to or to the order of the Securities Intermediary or in blank; and in no case will any financial asset credited to the Trust Account be registered in the name of, or payable to or to the order of, the Grantor or endorsed to or to the order of the Grantor, except to the extent the foregoing have been specially endorsed to or to the order of the Securities Intermediary or in blank. Upon any withdrawal or substitution of assets held in the Trust Account in accordance with the terms of the Trust Agreement, the Securities Intermediary shall transfer title to such assets to the Trustee to the extent required to permit such withdrawn or substitution.

Section 2.4. **Conflict Between Agreements**. The parties hereto agree that if the Securities Intermediary' s obligations hereunder conflict with any other agreement to which the Securities Intermediary is a party, the provisions of this Security and Control Agreement shall control.

Section 2.5. **Entitlement Orders**. The Securities Intermediary shall honor all entitlement orders, instructions directing disposition of funds and investment instructions given by the Secured Party pursuant to the Trust Agreement without further consent of the Grantor. Notwithstanding the foregoing, in no event shall the Secured Party give any entitlement order or investment instruction that is in violation of the Trust Agreement, and shall give such entitlement orders and investment instructions as are reasonably required to effectuate the terms of the Trust Agreement. The Securities Intermediary shall be entitled to rely upon any order, instruction, or direction that it receives from the Secured Party without any duty to inquire as to whether such order, instruction, or direction complies with the requirements of the Trust Agreement or this

Security and Control Agreement. In case the Securities Intermediary obeys or complies with any such order, instruction, or direction of the Secured Party, the Securities Intermediary shall not be liable to any of the parties hereto or to any other person by reason of such compliance, notwithstanding any such order, instruction, or direction being subsequently found to have been in violation of the Trust Agreement or this Security and Control Agreement.

Section 2.6. **Secured Party Notice; Grantor or Trustee Notice**.

(a) Secured Party Notice. Upon the receipt of a notice delivered to the Securities Intermediary in the form of Exhibit A (the "**Event of Default Notice**"), solely the Secured Party shall direct the Securities Intermediary in connection with the disposition and investment of the amounts on deposit in, and the assets credited to, the Trust Account. Notwithstanding the

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foregoing in no event shall Secured Party provide an Event of Default Notice to the Securities Intermediary prior to the occurrence and continuance of an Event of Default.

(b) Grantor Notice. Prior to receipt by the Securities Intermediary of an Event of Default Notice, the Securities Intermediary shall honor all entitlement orders, instructions directing disposition of funds and investment instructions given by the Grantor without further consent of the Secured Party. Notwithstanding the foregoing in no event shall the Grantor give any entitlement order or investment instruction that is in violation of the Trust Agreement, and shall give such entitlement orders and investment instructions as are reasonably required to effectuate the terms of the Trust Agreement. Prior to receipt by the Securities Intermediary of an Event of Default Notice, the Securities Intermediary shall be entitled to rely upon any order, instruction, or direction that it receives from the Grantor without any duty to inquire as to whether such order, instruction, or direction complies with the requirements of the Trust Agreement or this Security and Control Agreement. In case the Securities Intermediary obeys or complies with any such order, instruction, or direction of the Grantor, the Securities Intermediary shall not be liable to any of the parties hereto or to any other person by reason of such compliance, notwithstanding any such order, instruction, or direction being subsequently found to have been in violation of the Trust Agreement or this Security and Control Agreement.

Section 2.7. **Conflicting Orders or Instructions**. Notwithstanding anything contained herein, if at any time the Securities Intermediary shall receive conflicting orders or instructions from the Secured Party and the Grantor, the Securities Intermediary shall follow the orders or instructions of the Secured Party and not the Grantor.

Section 2.8. **Successor Trust Account**. Except as otherwise set forth in Section 2.9, in the event a successor trust account is established, (a) such account shall be established with either the Securities Intermediary or another "securities intermediary" (as defined in the UCC) reasonably acceptable to the Secured Party, (b) such securities intermediary with whom such account is established shall enter into an agreement substantially in the form of this Security and Control Agreement or a form reasonably acceptable to the Grantor and the Secured Party prior to or contemporaneously with the establishment of the successor trust account and (iii) financing statements shall be amended and/or new financing statements shall

filed to identify the successor trust account, all in a manner reasonably satisfactory to the Secured Party.

Section 2.9. **Reinsurance Credit Event Trust Accounts**. Concurrently with the modification of the Trust Account and/or the creation of new trust accounts as a result of a Reinsurance Credit Event, the Grantor and the Securities Intermediary will enter into agreements substantially in the form of this Security and Control Agreement with the Secured Party, granting to the Secured Party a security interest in and continuing lien on all of the Grantor' s right, title and interest in, to and under the following, in each case, whether now owned or existing or hereafter acquired or arising, and wherever located: (i) the modified Trust Account or the new trust account created as a result of the Reinsurance Credit Event for which such Secured Party is the sole beneficiary; (ii) all Security Entitlements carried in such trust account and (iii) all Proceeds of any or all of the foregoing.

ARTICLE III.

DUTIES OF THE SECURITIES INTERMEDIARY

Section 3.1. **Subordination of Liens in Favor of the Securities Intermediary, Etc.** The Securities Intermediary hereby subordinates to the security interest of the Secured Party in the Collateral any and all statutory, regulatory, contractual or other rights now or hereafter existing in each case in its favor over or with respect to the Trust Account, including, but not limited to (i) any and all contractual rights of set-off, lien or compensation, (ii) any and all statutory or regulatory rights of pledge, lien, set-off or compensation, (iii) any and all statutory, regulatory, contractual or other rights to put on hold, block transfers from or fail to

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honor instructions of the Secured Party with respect to the Trust Account or (iv) any and all statutory or other rights to prohibit or otherwise limit the pledge, assignment, collateral assignment or granting of any type of security interest in the Trust Account.

Section 3.2. **No Other Entitlement Orders**. Without the prior written consent of the Secured Party and the Grantor, the Securities Intermediary will not (i) change the name, account number or designation of the Trust Account or (ii) enter into any agreement under which the Securities Intermediary agrees to comply with "entitlement orders" or any instructions directing disposition of funds originated by any Person other than the Secured Party with respect to any property credited to the Trust Account. The Securities Intermediary shall promptly notify the Secured Party and the Grantor if any Person requests the Securities Intermediary to enter into any such agreement as described in this Section 3.2 or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the property credited to the Trust Account (and in that connection, the Securities Intermediary represents and warrants to the Secured Party that it has not heretofore received any such request or assertion with respect to the Trust Account) and, except as otherwise prohibited by law or regulation, will promptly notify the Secured Party and the Grantor of the occurrence of any such events.

Section 3.3. **Force Majeure**. The Securities Intermediary shall not be responsible or liable for any failure or delay in the performance of its obligations under the Trust Agreement or this Security and Control Agreement arising out of or caused, directly or

indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority; or governmental action; it being understood that the Securities Intermediary shall use commercially reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.4. **Indemnification**.

(a) The Grantor shall indemnify, defend and hold the Securities Intermediary (and its directors, officers and employees) harmless from and against any loss, liability, damage, cost and expense of any nature arising out of or in connection with this Security and Control Agreement or with the performance of its duties hereunder (except with respect to any obligations of the Secured Party arising under Section 3.4(b), for which the Grantor shall have no such obligations), including, among other things, reasonable attorneys' fees and court costs, except to the extent such loss, liability, damage, cost and expense shall be caused by the Securities Intermediary's negligence, willful misconduct or lack of good faith.

(b) Whenever an action by the Securities Intermediary is authorized by written signed direction pursuant to the provisions of this Security and Control Agreement and such action is taken strictly in accordance with such written and signed direction by the appropriate party or parties, the party or parties authorizing such action hereby agree to indemnify the Securities Intermediary against all losses, damages, costs and expenses, including reasonable attorneys' fee, resulting from any action so taken by the Securities Intermediary. The provisions of this paragraph shall survive the termination of this Security and Control Agreement and the resignation or removal of the Securities Intermediary for any reason.

ARTICLE IV.

REMEDIES; RIGHTS UPON DEFAULT

Section 4.1. **Rights and Remedies Generally**. If an Event of Default has occurred and is continuing, then and in every such case, the Secured Party may exercise, in addition to all other rights and remedies granted to them in this Security and

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Control Agreement and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC or any other applicable law.

Section 4.2. **<u>Acknowledgement of the Parties</u>**. The parties hereto intend that the Trust is and at all times shall be the lawful owner of the Assets. The parties hereto agree and acknowledge that the security interest in favor of the Secured Party is granted pursuant to this Agreement in case Securities Intermediary shall hold the Collateral to the extent that the Trust is not valid, the transfer of the Assets by the Grantor to the Trust is not effective, or the transfer of the Assets by the Grantor may be characterized as a pledge rather than a lawful conveyance to the Trust.

ARTICLE V.

POWER OF ATTORNEY

Section 5.1. **<u>The Secured Party' s Appointment as Attorney-in-Fact</u>**. The Grantor hereby irrevocably constitutes and appoints the Secured Party and any officers or agents thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in their own names, from time to time in the Secured Party' s discretion, for the purpose of carrying out the terms of this Security and Control Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security and Control Agreement. Notwithstanding the foregoing, the Secured Party agrees that the power of attorney provided for in this Section 5.1 shall only become effective upon the occurrence and continuance of an Event of Default.

ARTICLE VI.

MISCELLANEOUS PROVISIONS

Section 6.1. **<u>Binding on Successors; Transferees and Assigns; Assignment</u>**. This Security and Control Agreement shall be binding upon the parties hereto, their successors, transferees and permitted assigns and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; *provided, however*, that the Grantor may not assign or delegate any of its obligations hereunder without the prior written consent of the Secured Party.

Section 6.2. **<u>Notices</u>**. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered in the same manner as provided for in the Trust Agreement; *provided, however*, that any communications to the Securities Intermediary shall be sent to the address provided for the Trustee in the Trust Agreement.

Section 6.3. **<u>Waivers; Amendments</u>**.

(a) <u>No Deemed Waivers; Remedies Cumulative</u>. No failure or delay by the Secured Party in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, preclude any other or further exercise thereof or the exercise of any other right or power. The remedies of the Secured Party hereunder are cumulative and are not exclusive of any remedies provided by law. No waiver of any provision of this Security and Control Agreement or consent to any departure by the Grantor therefrom shall in any event be effective unless the same shall be permitted by <u>Section 6.3(b)</u>, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

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(b) Amendments. Neither this Security and Control Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the parties hereto.

Section 6.4. **Severability**. Any provision of this Security and Control Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 6.5. **Counterparts; Integration**. This Security and Control Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Section 6.6. **Governing Law; Jurisdiction; Venue; Service of Process**.

(a) Governing Law. This Security and Control Agreement shall be governed by and construed and enforced in accordance with, the laws of the State of New York. Regardless of any provision in any agreement governing the Trust Account, the Securities Intermediary agrees that its "securities intermediary' s jurisdiction" (as defined in the UCC) is the State of Delaware

(b) Submission to Jurisdiction. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (INCLUDING ITS APPELLATE DIVISION), OR IN ANY APPELLATE COURT IN THE STATE OF NEW YORK, OVER ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AND CONTROL AGREEMENT; PROVIDED, HOWEVER, THAT, IF SAID COURT DETERMINES THAT IT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THEN SAID ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK. EACH PARTY HERETO AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL ADDRESSED TO SUCH PARTY SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST SUCH PARTY IN ANY SUCH COURT.

(c) Waiver of Venue. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO AGREES THAT FINAL, NONAPPEALABLE JUDGMENT IN ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT SHALL BE

CONCLUSIVE AND BINDING UPON SUCH PARTY AND MAY BE ENFORCED IN ANY COURT HAVING JURISDICTION SUCH PARTY OR ANY OF ITS ASSETS.

(d) Bonding. Each party hereto hereby agrees to waive any requirement for the posting of a bond or for the posting of any security in connection with any such action, suit or proceeding brought pursuant to this Section 6.6.

Section 6.7. **WAIVER OF JURY TRIAL**. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL

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PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AND CONTROL AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

Section 6.8. **Termination**. The obligations of the Grantor pursuant to this Security and Control Agreement shall remain in full force and effect until the earliest to occur of (a) the date on which all the Secured Obligations shall have been paid in full, (b) the date on which the Trust Account shall be transferred to a different securities intermediary as mutually agreed between the Grantor and the Secured Party or (c) the date on which, pursuant to the terms of the Retrocession Agreement, the requirement to maintain a Trust Account ceases to exist (each a "**Termination Date**"). Upon the occurrence of the Termination Date, this Security and Control Agreement and the obligations of the Grantor hereunder (other than those expressly stated to survive such termination) shall terminate immediately and, except in the case of a Termination Date described in clause (b) above, the Collateral shall be released from the security interests created hereby, all without delivery of any instrument or performance of any act by any party.

Section 6.9. **Specific Performance**. Each of the parties hereto acknowledges and agrees that the other parties hereto would be irreparably damaged in the event that any of the provisions of this Security and Control Agreement were not performed or complied with in accordance with their specific terms or were otherwise breached, violated or unfulfilled. Accordingly, each of the parties hereto agrees that the other parties hereto shall be entitled to an injunction or injunctions to prevent noncompliance with, or breaches or violations of, the provisions of this Security and Control Agreement by the other parties hereto and to enforce specifically this Security and Control Agreement and the terms and provisions hereof in any action instituted in accordance with the terms hereof, in addition to any other remedy to which such party may be entitled, at law or in equity. In the event that any action is brought in equity to enforce the provisions of this Security and Control Agreement, no party hereto will allege, and each party hereto hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties hereto further agree that (i) by seeking the remedies provided for in this Section 6.9, a party hereto shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Security and Control Agreement, including monetary damages in the event that this Security and Control Agreement has been terminated or in the event that the remedies provided for in this Section 6.9 are not available or otherwise are not granted and (ii) nothing contained in this Section 6.9 shall require any party hereto to institute any action for (or limit any party' s right to institute any action for) specific performance under

this Section 6.9 before exercising any termination right under Section 6.8, nor shall the commencement of any action pursuant to this Section 6.9 or anything contained in this Section 6.9 restrict or limit any party' s right to terminate this Security and Control Agreement in accordance with the terms of Article VI or pursue any other remedies under this Security and Control Agreement that may be available then or thereafter.

Section 6.10. **Interpretation**. When a reference is made in this Security and Control Agreement to a Section, such reference shall be to a section of this Security and Control Agreement unless otherwise clearly indicated to the contrary. Whenever the words "include", "includes" or "including" are used in this Security and Control Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Security and Control Agreement as a whole and not to any particular provision of this Security and Control Agreement. The meaning assigned to each term used in this Security and Control Agreement shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

[*Remainder of Page Intentionally Left Blank*]

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IN WITNESS WHEREOF, the parties hereto have caused this Security and Control Agreement to be executed by their respective corporate officer, thereunto duly authorized, as of the day and year first above written.

BERKSHIRE HATHAWAY LIFE INSURANCE COMPANY OF NEBRASKA,
as Grantor

By: ______________________________
Name:
Title:

NATIONAL INDEMNITY COMPANY,
as Grantor

By: ______________________________
Name:
Title:

[Signatures Continue onto Next Page]

Security and Control Agreement Signature Page

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
as Secured Party

By: ______________________________
Name: Mark Parsons
Title: Senior Vice President

[Signatures Continue onto Next Page]

Security and Control Agreement Signature Page

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Securities Intermediary

By: ______________________________
Name:
Title:

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
Name:
Title:

Security and Control Agreement Signature Page

EXHIBIT A

FORM OF NOTICE OF EVENT OF DEFAULT

[Securities Intermediary] [Date]
Attention: [•]

Re: Event of Default

Reference is made to the Security and Control Agreement, dated as of February 27, 2013 (the "Security and Control Agreement"), among us, you, Berkshire Hathaway Life Insurance Company of Nebraska, a Nebraska life insurance company, and National Indemnity Company, a Nebraska property and casualty insurance company.

The undersigned gives you notice pursuant to Section 2.6 of the Security and Control Agreement.

You are hereby further instructed to accept instructions and orders from no other person except the undersigned unless otherwise ordered by a court of competent jurisdiction.

Very truly yours,

[•],
as Secured Party

By: ______________________________
Name:
Title:

cc: [•]

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EXHIBIT 12 Cigna Corporation – Computation of Ratio of Earnings to Fixed Charges

Year Ended December 31, *(Dollars in millions)*	2012	2011	2010	2009	2008
Income before income taxes	$ 2,477	$ 1,876	$ 1,802	$ 1,853	$ 329
Adjustments:					
Income from equity investee	(10)	(15)	(18)	(19)	(11)
Income attributable to redeemable noncontrolling interest	(1)	-	-	-	-
Income attributable to other noncontrolling interest	-	(1)	(4)	(3)	(2)
Income before income taxes, as adjusted	$ 2,466	$ 1,860	$ 1,780	$ 1,831	$ 316
Fixed charges included in income:					
Interest expense	$ 268	$ 202	$ 182	$ 166	$ 146
Interest portion of rental expense	43	38	42	46	43
Interest credited to contractholders	4	5	5	3	6
	$ 315	$ 245	$ 229	$ 215	$ 195
Income available for fixed charges	$ 2,781	$ 2,105	$ 2,009	$ 2,046	$ 511
RATIO OF EARNINGS TO FIXED CHARGES:	8.8	8.6	8.8	9.5	2.6

This Exhibit 12 has been updated from the Company's 2011 Form 10-K to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs, effective January 1, 2012. See Note 2 to the Consolidated Financial Statements within this Form 10-K for additional information.

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EXHIBIT 21 Subsidiaries of the Registrant

Listed below are subsidiaries of Cigna Corporation as of December 31, 2012 with their jurisdictions of organization shown in parentheses. Those subsidiaries not listed would not, in the aggregate, constitute a "significant subsidiary" of Cigna Corporation, as that term is defined in Rule 1-02(w) of Regulation S-X.

Cigna Holdings, Inc. (Delaware)

I. Connecticut General Corporation (Connecticut)			
A.	Benefits Management Corp. (Montana)		
	i.	Allegiance Life & Health Insurance Company, Inc. (Montana)	
	ii.	Allegiance Re, Inc. (Montana)	
B.	Cigna Arbor Life Insurance Company (Connecticut)		
C.	Cigna Behavioral Health, Inc. (Minnesota)		
	i.	Cigna Behavioral Health of California, Inc. (California)	
	ii.	Cigna Behavioral Health of Texas, Inc. (Texas)	
	iii.	MCC Independent Practice Association of New York, Inc. (New York)	
D.	Cigna Dental Health, Inc. (Florida)		
	i.	Cigna Dental Health of California, Inc. (California)	
	ii.	Cigna Dental Health of Colorado, Inc. (Colorado)	
	iii.	Cigna Dental Health of Delaware, Inc. (Delaware)	
	iv.	Cigna Dental Health of Florida, Inc. (Florida)	
	v.	Cigna Dental Health of Illinois, Inc. (Illinois)	
	vi.	Cigna Dental Health of Kansas, Inc. (Kansas)	
	vii.	Cigna Dental Health of Kentucky, Inc. (Kentucky)	
	viii.	Cigna Dental Health of Maryland, Inc. (Maryland)	
	ix.	Cigna Dental Health of Missouri, Inc. (Missouri)	
	x.	Cigna Dental Health of New Jersey, Inc. (New Jersey)	
	xi.	Cigna Dental Health of North Carolina, Inc. (North Carolina)	
	xii.	Cigna Dental Health of Ohio, Inc. (Ohio)	
	xiii.	Cigna Dental Health of Pennsylvania, Inc. (Pennsylvania)	
	xiv.	Cigna Dental Health of Texas, Inc. (Texas)	
	xv.	Cigna Dental Health of Virginia, Inc. (Virginia)	
	xvi.	Cigna Dental Health Plan of Arizona, Inc. (Arizona)	
E.	Cigna Health Corporation (Delaware)		
	i.	Healthsource, Inc. (New Hampshire)	
		a.	Cigna Healthcare of Arizona, Inc. (Arizona)
		b.	Cigna Healthcare of California, Inc. (California)
		c.	Cigna Healthcare of Colorado, Inc. (Colorado)
		d.	Cigna Healthcare of Connecticut, Inc. (Connecticut)
		e.	Cigna Healthcare of Florida, Inc. (Florida)
		f.	Cigna Healthcare of Georgia, Inc. (Georgia)
		g.	Cigna Healthcare of Illinois, Inc. (Illinois)
		h.	Cigna Healthcare of Indiana, Inc. (Indiana)
		i.	Cigna Healthcare of Maine, Inc. (Maine)
		j.	Cigna Healthcare of Massachusetts, Inc. (Massachusetts)

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k.	Cigna Healthcare Mid-Atlantic, Inc. (Maryland)
l.	Cigna Healthcare of New Hampshire, Inc. (New Hampshire)
m.	Cigna Healthcare of New Jersey, Inc. (New Jersey)
n.	Cigna Healthcare of New York, Inc. (New York)
o.	Cigna Healthcare of North Carolina, Inc. (North Carolina)
p.	Cigna Healthcare of Pennsylvania, Inc. (Pennsylvania)
q.	Cigna Healthcare of South Carolina, Inc. (South Carolina)
r.	Cigna Healthcare of St. Louis, Inc. (Missouri)
s.	Cigna Healthcare of Tennessee, Inc. (Tennessee)
t.	Cigna Healthcare of Texas, Inc. (Texas)
u.	Cigna Healthcare of Utah, Inc. (Utah)

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- v. Cigna Insurance Services Company (South Carolina)
- w. Temple Insurance Company Limited (Bermuda)

F. Cigna Healthcare Holdings, Inc. (Colorado)
- i. Great-West Healthcare – Illinois (Illinois)

G. Cigna Health Management, Inc. (Delaware)
H. Cigna Life Insurance Company of Canada (Canada)
I. Cigna Life Insurance Company of New York (New York)
J. Connecticut General Life Insurance Company (Connecticut)
- i. Cigna Health and Life Insurance Company (Connecticut)
  - a. Cigna Corporate Services, LLC (Delaware)
  - b. Loyal American Life Insurance Company (Ohio)
    - i. American Retirement Life Insurance Company (Ohio)
  - c. Ceres Sales of Ohio, LLC (Ohio)
  - d. Central Reserve Life Insurance Company (Ohio)
    - i. Provident American Life and Health Insurance Company (Ohio)
    - ii. United Benefit Life Insurance Company (Ohio)
- ii. Tel Drug of Pennsylvania, LLC (Pennsylvania)

K. HealthSpring, Inc. (Delaware)
- i. NewQuest, LLC (Texas)
  - a. Bravo Health, LLC (Delaware)
    - i. Bravo Health of Pennsylvania, Inc. (Pennsylvania)
    - ii. Bravo Health Mid-Atlantic, Inc. (Maryland)
  - b. HealthSpring Management, Inc. (Tennessee)
    - i. HealthSpring of Tennessee, Inc. (Tennessee)
  - c. HealthSpring of Alabama, Inc. (Alabama)
  - d. HealthSpring of Florida, Inc. (Florida)
  - e. HealthSpring Life & Health Insurance Company, Inc. (Texas)
  - f. HealthSpring Management of America, LLC (Delaware)
  - g. HealthSpring USA, LLC (Tennessee)
  - h. NewQuest Management of Alabama, LLC (Alabama)
  - i. NewQuest Management of Florida, LLC (Florida)
- ii. HouQuest, LLC (Delaware)
  - a. GulfQuest, LP (Texas)

L. Life Insurance Company of North America (Pennsylvania)
- i. Cigna & CMC Life Insurance Company Limited (China)
- ii. LINA Life Insurance Company of Korea (Korea)

M. Tel Drug, Inc. (South Dakota)
N. Vielife Holdings Limited (United Kingdom)
- i. Vielife Limited (United Kingdom)

II. Cigna Investment Group, Inc. (Delaware)
A. Cigna Investments, Inc. (Delaware)
- i. Cigna Benefits Financing, Inc. (Delaware)

III. Cigna Global Holdings, Inc. (Delaware)
A. Cigna International Corporation, Inc. (Delaware)
B. Cigna Global Reinsurance Company, Ltd. (Bermuda)
- i. Cigna Holdings Overseas, Inc. (Delaware)
  - a. Cigna Apac Holdings Limited (New Zealand)

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i.	Cigna Hong Kong Holdings Company Limited (Hong Kong)	
	a.	Cigna Data Services (Shanghai) Company Limited (China)
	b.	Cigna HLA Technology Services Company Limited (Hong Kong)
	c.	Cigna Worldwide General Insurance Company Limited (Hong Kong)
	d.	Cigna Worldwide Life Insurance Company Limited (Hong Kong)
ii.	Cigna Life Insurance New Zealand Limited (New Zealand)	
iii.	Cigna Taiwan Life Assurance Company Limited (Taiwan)	

b. Cigna Europe Insurance Company S.A.-N.V. (Belgium)
c. Cigna European Services (UK) Limited (United Kingdom)
d. Cigna Global Insurance Company Limited (Guernsey, C.I.)
e. Cigna Hayat Sigorta A.S. (Turkey)
f. Cigna Health Solutions India Pvt. Ltd. (India)
g. Cigna International Services Australia Pty. Ltd. (Australia)
h. Cigna Life Insurance Company of Europe S.A.- N.V. (Belgium)
i. Cigna Nederland Alpha Cooperatief U.A. (Netherlands)

i.	Cigna Nederland Beta N.V. (Netherlands)

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a. Cigna Nederland Gamma N.V. (Netherlands)
i. Finans Emeklilik ve Hayat A.S. (Turkey)
j. FirstAssist Group Holdings Limited (United Kingdom)
i. FirstAssist Group Limited (United Kingdom)
a. FirstAssist Legal Protection Limited (United Kingdom)
ii. FirstAssist Insurance Services Limited (United Kingdom)
k. RHP ThailandLimited (Thailand)
i. Cigna Brokerage Services (Thailand) Limited (Thailand)
ii. Cigna Non-Life Insurance Brokerage (Thailand)
iii. KDM Thailand Limited (Thailand)
a. Cigna Insurance Public Company Limited (Thailand)
l. Vanbreda International N.V. (Belgium)
i. Vanbreda International SDN.BHD (Malaysia)
ii. Vanbreda International LLC (Flordia)
ii. Cigna Worldwide Insurance Company (Delaware)
a. PT. Asuransi Cigna (Indonesia)

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EXHIBIT 23 Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-183238) and Form S-8 (No. 333-179307, No. 333-166583, No. 333-163899, No. 333-147994, No. 333-64207, No. 333-129395, No. 333-107839, No. 333-90785, No. 333-31903, No. 333-22391, No. 033-60053 and No. 033-51791) of Cigna Corporation of our reports dated February 28, 2013 relating to the financial statements, the financial statement schedules and the effectiveness of internal control over financial reporting, which appear in this Form 10-K.

/s/
PricewaterhouseCoopers
LLP

Philadelphia,
Pennsylvania
February 28, 2013

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EXHIBIT 31.1 Certification

I, DAVID M. CORDANI, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cigna Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David M. Cordani

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Chief Executive Officer

Date: February 28, 2013

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PART IV

ITEM 15 Exhibits and Financial Statement Schedules

EXHIBIT 31.2 Certification

I, RALPH J. NICOLETTI, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cigna Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ralph J. Nicoletti

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Chief Financial Officer

Date: February 28, 2013

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EXHIBIT 32.1 Certification of Chief Executive Officer of Cigna Corporation pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Annual Report on Form 10-K of Cigna Corporation for the fiscal period ending December 31, 2012 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cigna Corporation.

/s/ David M. Cordani

David M. Cordani
Chief Executive Officer
February 28, 2013

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EXHIBIT 32.2 Certification of Chief Financial Officer of Cigna Corporation pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Annual Report on Form 10-K of Cigna Corporation for the fiscal period ending December 31, 2012 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cigna Corporation.

/s/ Ralph J. Nicoletti

Ralph J. Nicoletti
Chief Financial Officer
February 28, 2013

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Schedule V - Valuation and Qualifying Accounts and Reserves	12 Months Ended Dec. 31, 2012
Valuation and Qualifying Accounts and Reserves [Abstract]	
Valuation and Qualifying Accounts and Reserves	

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE V
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(in millions)

Description		Balance at beginning of period (4)		Charged (Credited) to costs and expenses (1)		Charged (Credited) to other accounts (2)		Other deductions- describe (3)		Balance at end of period
2012:										
Investment asset valuation reserves:										
Commercial mortgage loans	$	19	$	10	$		$	(22)	$	7
Allowance for doubtful accounts:										
Premiums, accounts and notes receivable	$	45	$	4	$	1	$	1	$	51
Deferred tax asset valuation allowance	$	45	$	4	$	(7)	$	-	$	42
Reinsurance recoverables	$	5	$	(1)	$	-	$	-	$	4
2011:										
Investment asset valuation reserves:										
Commercial mortgage loans	$	12	$	16	$	-	$	(9)	$	19
Allowance for doubtful accounts:										
Premiums, accounts and notes receivable	$	49	$	4	$	(1)	$	(7)	$	45
Deferred tax asset valuation allowance	$	26	$	4	$	15	$	-	$	45
Reinsurance recoverables	$	10	$	(5)	$	-	$	-	$	5
2010:										
Investment asset valuation reserves:										
Commercial mortgage loans	$	17	$	24	$	-	$	(29)	$	12
Allowance for doubtful accounts:										
Premiums, accounts and notes receivable	$	43	$	11	$	-	$	(5)	$	49
Deferred tax asset valuation allowance	$	117	$	(91)	$	-	$	-	$	26
Reinsurance recoverables	$	15	$	(5)	$	-	$	-	$	10

Prior periods for the deferred tax valuation allowance were updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements in the Form 10-K for additional information.

(1) 2010 amount for deferred tax asset valuation allowance primarily reflects the resolution of a federal tax matter. See Note 20 to the Consolidated Financial Statements.

(2) 2011 increase to deferred tax asset valuation allowance reflects effects of the acquisition of First Assist in November 2011.

(3) Amounts for commercial mortgage loans primarily reflects charge-offs upon sales and repayments, as well as transfers to foreclosed real estate. 2012 amount also includes restructures reclassifed to Other Long-term Investments.

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Segment Information (Details 2) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Segment Reporting Information [Line Items]											
Premiums and fees and other revenues									$ 26,308	$ 19,210	$ 18,528
Net investment income									1,144	1,146	1,105
Total revenues	7,620	7,323	7,422	6,754	5,425	5,574	5,479	5,387	29,119	21,865	21,128
Depreciation and amortization									560	345	292
Income taxes									853	615	519
Segment earnings	406 [1]	466 [2]	380 [3]	371 [4]	273 [5]	183 [6]	391 [7]	413 [8]	1,623	1,260	1,279
Operating Segments [Member]											
Segment Reporting Information [Line Items]											
Segment earnings									1,592	1,219	1,229
Run Off Reinsurance Segment [Member]											
Segment Reporting Information [Line Items]											
Premiums and fees and other revenues									(98)	20	(133)
Net investment income									102	103	114
Total revenues									4	123	(19)
Depreciation and amortization									0	0	0
Income taxes									0	(99)	(136)
Segment earnings									0	(183)	26
Other Operations Segment [Member]											
Segment Reporting Information [Line Items]											
Premiums and fees and other revenues									155	169	174
Net investment income									388	400	404
Total revenues									543	569	578
Depreciation and amortization									22	25	21
Income taxes									43	29	39
Segment earnings									$ 82	$ 89	$ 85

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

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[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Debt (Tables)

Debt [Table] [Abstract]

Short-term and Long-term Debt

12 Months Ended Dec. 31, 2012

(In millions)	**2012**	2011
Short-term:		
Commercial paper	**$ 200**	$ 100
Current maturities of long-term debt	**1**	4
Total short-term debt	**$ 201**	$ 104
Long-term:		
Uncollateralized debt:		
2.75% Notes due 2016	**$ 600**	$ 600
5.375% Notes due 2017	**250**	250
6.35% Notes due 2018	**131**	131
8.5% Notes due 2019	**251**	251
4.375% Notes due 2020	**249**	249
5.125% Notes due 2020	**299**	299
6.37% Notes due 2021	**78**	78
4.5% Notes due 2021	**299**	298
4% Notes due 2022	**743**	743
7.65% Notes due 2023	**100**	100
8.3% Notes due 2023	**17**	17
7.875% Debentures due 2027	**300**	300
8.3% Step Down Notes due 2033	**83**	83
6.15% Notes due 2036	**500**	500
5.875% Notes due 2041	**298**	298
5.375% Notes due 2042	**750**	750
Other	**38**	43
Total long-term debt	**$ 4,986**	$ 4,990

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Goodwill, Other Intangibles, and Property and Equipment (Tables)

12 Months Ended Dec. 31, 2012

Goodwill Other Intangibles Property And Equipment Tables [Abstract]

Schedule of Goodwill [Table Text Block]

(In millions)	**2012**	2011
Balance at January 1,	**$ 3,164**	$ 3,119
Goodwill acquired:		
FirstAssist	**7**	57
HealthSpring	**2,541**	-
Great American Supplement Benefits	**168**	-
Finans Emeklilik	**113**	-
Goodwill sold:		
Cigna Government Services	**-**	(6)
Impact of foreign currency translation	**8**	(6)
Balance at December 31,	**$ 6,001**	$ 3,164

Other Intangible Assets [Table Text Block]

(Dollars in millions)	Cost	Accumulated Amortization	Net Carrying Value	Weighted Average Amortization Period (Years)
2012				
Customer relationships	**$ 1,278**	**$ 466**	**$ 812**	**10**
Other	**328**	**80**	**248**	**11**
Total reported in other assets, including other intangibles	**1,606**	**546**	**1,060**	
Value of business acquired (reported in deferred policy acquisition costs)	**172**	**2**	**170**	**26**
Internal-use software (reported in property and equipment)	**1,738**	**1,191**	**547**	**5**
Total other intangible assets	**$ 3,516**	**$ 1,739**	**$ 1,777**	
2011				
Customer relationships	$ 583	$ 313	$ 270	13
Other	127	27	100	12
Total reported in other assets, including other intangibles	710	340	370	
Internal-use software (reported in property and equipment)	1,600	1,054	546	5
Total other intangible assets	$ 2,310	$ 1,394	$ 916	

Property and Equipment [Table Text Block]

(Dollars in millions)	Cost	Accumulated Amortization	Net Carrying Value
2012			
Internal-use software	**$ 1,738**	**$ 1,191**	**$ 547**
Other property and equipment	**1,415**	**842**	**573**
Total property and equipment	**$ 3,153**	**$ 2,033**	**$ 1,120**
2011			
Internal-use software	$ 1,600	$ 1,054	$ 546
Other property and equipment	1,285	807	478
Total property and equipment	$ 2,885	$ 1,861	$ 1,024

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Depreciation And Amortization [Table Text Block]

(Dollars in millions)	**2012**	2011	2010
Internal-use software	**$ 209**	$ 187	$ 161
Other property and equipment	**144**	117	99
Value of business acquired (reported in deferred policy acquisition costs)	**2**	-	-
Other intangibles	**205**	41	32
Total depreciation and amortization	**$ 560**	$ 345	$ 292

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Schedule III - Supplementary Insurance Information (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	$ 1,198	$ 817	$ 701
Future policy benefits and contractholder deposit funds	17,773	17,146	16,656
Medical claims payable and unpaid claims	5,918	5,241	5,263
Unearned premiums and fees	549	502	416
Premiums and fees	26,187	18,966	18,274
Net investment income	1,144	1,146	1,105
Benefit expenses	17,900	12,490	12,233
Amortization of deferred policy acquisition expenses	218	259	251
Other operating expenses	8,524	7,240	6,842
Global Health Benefits Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	19	19	22
Future policy benefits and contractholder deposit funds	175	170	178
Medical claims payable and unpaid claims	1,856	1,443	1,555
Unearned premiums and fees	111	103	87
Premiums and fees	20,973	14,443	14,134
Net investment income	259	263	230
Benefit expenses	14,228	9,125	9,222
Amortization of deferred policy acquisition expenses	68	139	155
Other operating expenses	6,573	5,404	5,216
Global Supplemental Benefits Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	1,113	729	609
Future policy benefits and contractholder deposit funds	2,227	1,255	1,085
Medical claims payable and unpaid claims	306	177	112
Unearned premiums and fees	388	346	271
Premiums and fees	1,984	1,528	1,231
Net investment income	90	83	69
Benefit expenses	1,005	754	603
Amortization of deferred policy acquisition expenses	141	110	84
Other operating expenses	770	628	505
Group Disability And Life Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	1	1	2
Future policy benefits and contractholder deposit funds	1,599	1,572	1,464
Medical claims payable and unpaid claims	3,482	3,228	3,201
Unearned premiums and fees	26	26	27

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Premiums and fees	3,109	2,857	2,770
Net investment income	300	291	287
Benefit expenses	2,290	2,086	2,035
Amortization of deferred policy acquisition expenses	3	4	6
Other operating expenses	721	650	707
Run Off Reinsurance Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	0	0	0
Future policy benefits and contractholder deposit funds	1,094	1,172	1,139
Medical claims payable and unpaid claims	153	240	244
Unearned premiums and fees	0	0	0
Premiums and fees	21	24	25
Net investment income	102	103	114
Benefit expenses	16	140	(22)
Amortization of deferred policy acquisition expenses	0	0	0
Other operating expenses	(12)	265	113
Other Operations Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	65	68	68
Future policy benefits and contractholder deposit funds	12,678	12,977	12,790
Medical claims payable and unpaid claims	142	160	159
Unearned premiums and fees	24	27	31
Premiums and fees	100	114	114
Net investment income	388	400	404
Benefit expenses	361	385	395
Amortization of deferred policy acquisition expenses	6	6	6
Other operating expenses	51	60	53
Corporate Segment [Member]			
Supplementary Insurance Information, by Segment [Line Items]			
Deferred policy acquisition costs	0	0	0
Future policy benefits and contractholder deposit funds	0	0	0
Medical claims payable and unpaid claims	(21)	(7)	(8)
Unearned premiums and fees	0	0	0
Premiums and fees	0	0	0
Net investment income	5	6	1
Benefit expenses	0	0	0
Amortization of deferred policy acquisition expenses	0	0	0
Other operating expenses	$ 421	$ 233	$ 248

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Acquisitions and Dispositions (Details - Great American Supplemental Benefits Group Condensed Balance Sheet) (Great American Supplemental Benefits Group [Member], USD $) In Millions, unless otherwise specified	Aug. 31, 2012
Great American Supplemental Benefits Group [Member]	
Condensed Balance Sheet At Acquisition Date	
Investments	$ 211
Cash and cash equivalents	36
Reinsurance recoverables	448
Goodwill	168
Value of business acquired (reported in Deferred policy acquisition costs in Condensed Balance Sheet)	144
Other assets, including other intangibles	35
Total assets acquired	1,042
Insurance liabilities	707
Accounts payable, accrued expenses and other liabilities	9
Total liabilities acquired	716
Net assets acquired	$ 326

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Common and Preferred Stock (Tables)

Class Of Stock Disclosures Abstract

Schedule of issued shares

	12 Months Ended Dec. 31, 2012	
(Shares in thousands)	**2012**	2011
Common: Par value $0.25		
600,000 shares authorized		
Outstanding - January 1	**285,533**	271,880
Issuance of common stock	**-**	15,200
Issued for stock option and other benefit plans	**4,695**	3,735
Repurchase of common stock	**(4,399)**	(5,282)
Outstanding - December 31	**285,829**	285,533
Treasury stock	**80,316**	80,612
Issued - December 31	**366,145**	366,145

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Goodwill, Other Intangibles, and Property and Equipment (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Goodwill [Line Items]		
Goodwill, Beginning Balance	$ 3,164	$ 3,119
Goodwill sold	0	(6)
Impact of foreign currency translation	8	(6)
Goodwill, Ending Balance	6,001	3,164
FirstAssist [Member]		
Goodwill [Line Items]		
Goodwill acquired	7	57
HealthSpring [Member]		
Goodwill [Line Items]		
Goodwill acquired	2,541	0
Great American Supplemental Benefits Group [Member]		
Goodwill [Line Items]		
Goodwill acquired	168	0
Finans Emeklilik [Member]		
Goodwill [Line Items]		
Goodwill acquired	113	0
Global Health Benefits Segment [Member]		
Goodwill [Line Items]		
Goodwill, Ending Balance	5,700	
Global Supplemental Benefits Segment [Member]		
Goodwill [Line Items]		
Goodwill, Ending Balance	$ 350	

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Debt (Details - Revolving Credit and Letter of Credit) (USD $)	12 Months Ended Dec. 31, 2012
Line of Credit Facility [Line Items]	
Short-term and Long-term Debt Outstanding	$ 5,200,000,000
Credit Facility Remaining Borrowing Capacity	5,300,000,000
Revolving Credit And Letter Of Credit Facility [Member]	
Line of Credit Facility [Line Items]	
Line of Credit Facility, Initiation Date	2012-12
Line of Credit Facility, Expiration Date	2017-12
Line of Credit Facility, Term of Agreement	5 years
Line of Credit Facility, Maximum Borrowing Capacity	1,500,000,000
Line of Credit Facility, Number of Participating Banks	16
Line of Credit Facility, Optional Maximum Borrowing Capacity	2,000,000,000
Line of Credit Facility, Covenant Terms	This agreement has certain covenants, including a financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00
Revolving Credit And Letter Of Credit Facility [Member] | Minimum [Member]	
Line of Credit Facility [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	50.00%
Revolving Credit And Letter Of Credit Facility [Member] | Maximum [Member]	
Line of Credit Facility [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	100.00%
Letter of Credit [Member]	
Line of Credit Facility [Line Items]	
Line of Credit Facility, Maximum Borrowing Capacity	500,000,000
Letters of Credit Outstanding, Amount	$ 66,000,000
Primary Commitment Holders [Member]	
Line of Credit Facility [Line Items]	
Line of Credit Facility, Individual Bank Percentage Commitment	12.00%
Primary Commitment Holders [Member] | Revolving Credit And Letter Of Credit Facility [Member]	

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Line of Credit Facility [Line Items]	
Line of Credit Facility, Number of Participating Banks	3
Minor Commitment Holders [Member]	
Line of Credit Facility [Line Items]	
Revolving Credit And Letter Of Credit Agreement Remaining Thirteen Banks Percentage Committment	64.00%
Minor Commitment Holders [Member] | Revolving Credit And Letter Of Credit Facility [Member]	
Line of Credit Facility [Line Items]	
Line of Credit Facility, Number of Participating Banks	13

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Guaranteed Minimum Death Benefit Contracts (Tables)

12 Months Ended Dec. 31, 2012

Guaranteed Minimum Death Benefits Disclosure [Tables] [Abstract]

GMDB reserve activity table

(In millions)	**2012**	2011	2010
Balance at January 1,	**$ 1,170**	$ 1,138	$ 1,285
Add: Unpaid claims	**40**	37	36
Less: Reinsurance and other amounts recoverable	**53**	51	53
Balance at January 1, net	**1,157**	1,124	1,268
Add: Incurred benefits	**17**	138	(20)
Less: Paid benefits	**102**	105	124
Ending balance, net	**1,072**	1,157	1,124
Less: Unpaid claims	**24**	40	37
Add: Reinsurance and other amounts recoverable	**42**	53	51
Balance at December 31,	**$ 1,090**	$ 1,170	$ 1,138

Guaranteed Minimum Death Benefits Account Value Risk And Average Age Table [Text Block]

(Dollars in millions, excludes impact of reinsurance ceded)	**2012**	2011
Highest anniversary annuity value		
Account value	**$ 10,485**	$ 10,801
Net amount at risk	**$ 3,303**	$ 4,487
Average attained age of contractholders (weighted by exposure)	**72**	71
Anniversary value reset		
Account value	**$ 1,183**	$ 1,184
Net amount at risk	**$ 22**	$ 56
Average attained age of contractholders (weighted by exposure)	**65**	63
Other		
Account value	**$ 1,635**	$ 1,768
Net amount at risk	**$ 693**	$ 834
Average attained age of contractholders (weighted by exposure)	**71**	70
Total		
Account value	**$ 13,303**	$ 13,753
Net amount at risk	**$ 4,018**	$ 5,377
Average attained age of contractholders (weighted by exposure)	**72**	71
Number of contractholders (approx.)	**435,000**	480,000

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Subsequent Event - Reinsurance of GMDB and GMIB Business	12 Months Ended Dec. 31, 2012
Subsequent Events [Abstract]	
Subsequent Events [Text Block]	**Note 25 — Subsequent Event - Reinsurance of GMDB and GMIB Business** Effective February 4, 2013, the Company entered into an agreement with Berkshire Hathaway Life Insurance Company of Nebraska (Berkshire) to reinsure the GMDB and GMIB businesses. Berkshire will reinsure 100% of the Company's future claim payments, net of retrocessional arrangements in place prior to February 4, 2013, for a reinsurance premium of $2.2 billion. The reinsurance agreement is subject to an overall limit of approximately $3.8 billion plus future premiums collected under the contracts being reinsured that will be paid to Berkshire. The Company estimates that these future premium amounts will be from $0.1 to $0.3 billion and, accordingly, expects future claims of approximately $4 billion to be covered by the agreement. This reinsurance premium will be recorded in the first quarter of 2013 resulting in an after-tax impact to shareholders' net income of approximately $500 million. Premium of $725 million was paid on February 4, 2013 with the remainder to be paid by April 30, 2013. This premium will ultimately be funded from the sale or internal transfer of investment assets that were supporting this book of business, as well as tax benefits related to the transaction, and cash.

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Finite Lived Intangible Assets (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Finite Lived Intangible Assets Net [Line Items]		
Cost	$ 3,516	$ 2,310
Accumulated amortization	1,739	1,394
Net carrying value	1,777	916
Other Assets [Member]		
Finite Lived Intangible Assets Net [Line Items]		
Cost	1,606	710
Accumulated amortization	546	340
Net carrying value	1,060	370
Customer Relationships [Member] | Other Assets [Member]		
Finite Lived Intangible Assets Net [Line Items]		
Cost	1,278	583
Accumulated amortization	466	313
Net carrying value	812	270
Weighted Average Amortization Period (Years)	10	13
Other Intangibles [Member] | Other Assets [Member]		
Finite Lived Intangible Assets Net [Line Items]		
Cost	328	127
Accumulated amortization	80	27
Net carrying value	248	100
Weighted Average Amortization Period (Years)	11	12
Value Of Business Acquired [Member] | Deferred Policy Acquisition Costs [Member]		
Finite Lived Intangible Assets Net [Line Items]		
Cost	172	
Accumulated amortization	2	
Net carrying value	170	
Weighted Average Amortization Period (Years)	26	
Internal-use software [Member] | Property And Equipment [Member]		
Finite Lived Intangible Assets Net [Line Items]		
Cost	1,738	1,600
Accumulated amortization	1,191	1,054
Net carrying value	$ 547	$ 546
Weighted Average Amortization Period (Years)	5	5

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Schedule I - Summary of Investments (Details) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012
US Government and Government Agencies and Authorities [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	$ 509
Fair value	902
Amount at which shown in the Consolidated Balance Sheet	902
US States and Political Subdivisions Debt Securities [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	2,169
Fair value	2,437
Amount at which shown in the Consolidated Balance Sheet	2,437
Foreign Government Debt [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	1,197
Fair value	1,322
Amount at which shown in the Consolidated Balance Sheet	1,322
Public Utility, Bonds [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	102
Fair value	106
Amount at which shown in the Consolidated Balance Sheet	106
All Other Corporate Bonds [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	10,466
Fair value	11,752
Amount at which shown in the Consolidated Balance Sheet	11,752
Mortgage-backed Securities, Issued by US Government Sponsored Enterprises [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	121
Fair value	122
Amount at which shown in the Consolidated Balance Sheet	122
Commercial Mortgage Loans [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	

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Cost	82
Fair value	89
Amount at which shown in the Consolidated Balance Sheet	89
Other asset and mortgage-backed securities [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	798
Fair value	937
Amount at which shown in the Consolidated Balance Sheet	937
Mandatorily Redeemable Preferred Stock [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	37
Fair value	38
Amount at which shown in the Consolidated Balance Sheet	38
Fixed Maturities [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	15,481
Fair value	17,705
Amount at which shown in the Consolidated Balance Sheet	17,705
Industrial, Miscellaneous, and All Others [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	28
Fair value	33
Amount at which shown in the Consolidated Balance Sheet	33
Nonredeemable Preferred Stock [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	93
Fair value	78
Amount at which shown in the Consolidated Balance Sheet	78
Equity Securities, Investment Summary [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	121
Fair value	111
Amount at which shown in the Consolidated Balance Sheet	111
Mortgage Loans on Real Estate [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	2,851
Amount at which shown in the Consolidated Balance Sheet	2,851
Policy Loans [Member]	

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Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	1,501
Amount at which shown in the Consolidated Balance Sheet	1,501
Real Estate Entities [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	83
Amount at which shown in the Consolidated Balance Sheet	83
Other Long Term Investments [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	1,213
Amount at which shown in the Consolidated Balance Sheet	1,255
Short-term Investments [Member]	
Summary of Investments, Other than Investments in Related Parties, Reportable Data [Line Items]	
Cost	154
Amount at which shown in the Consolidated Balance Sheet	$ 154

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Earnings Per Share (Details) (USD $) In Millions, except Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Antidilutive Options [Table] [Abstract]											
Antidilutive options									2,500,000	3,700,000	6,300,000
Earnings Per Share (Details) [Abstract]											
Shareholders' net income	$ 406 [1]	$ 466 [2]	$ 380 [3]	$ 371 [4]	$ 273 [5]	$ 183 [6]	$ 391 [7]	$ 413 [8]	$ 1,623	$ 1,260	$ 1,279
Shares (in thousands):											
Weighted average									284,819,000	270,691,000	272,866,000
Common stock equivalents									4,711,000	3,558,000	2,421,000
Total shares									289,530,000	274,249,000	275,287,000
Shareholders' net income per share basic	$ 1.43	$ 1.64	$ 1.33	$ 1.30	$ 0.99	$ 0.68	$ 1.46	$ 1.53	$ 5.70	$ 4.65	$ 4.69
Shareholders net income per share effect of dilution									$ (0.09)	$ (0.06)	$ (0.04)
Shareholders' net income per share diluted	$ 1.41	$ 1.61	$ 1.31	$ 1.28	$ 0.98	$ 0.67	$ 1.43	$ 1.51	$ 5.61	$ 4.59	$ 4.65

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Fair Value Measurements (Details - GMIB Contracts) (Variable Annuity [Member], Guaranteed Minimum Income Benefit [Member])	12 Months Ended Dec. 31, 2012
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
7-year Treasury Rate used to calculate the reinsured income benefits	1.18%
Contractually guaranteed floor for the claim interest rate	3.00%
Percentage of mutual fund investments modeled based on other indices with insufficient market-observable data	50.00%
Volatility Assumption Based On Other Indices Historical Average Term	10 years
Mortality Assumption as a Percentage of 1994 Group Annuity Mortality table	70.00%
Annual percentage improvement in the mortality assumption percent	1.00%
Assumed probability percentage that an individual will annuitize a variable annuity contract immediately after waiting period expiration	80.00%
Assumed probability percentage that an individual will annuitize a variable annuity contract in the second or subsequent annual benefit opportunities	20.00%
Assumed return on capital for risk and profit charge assumption	10.00%
Maximum [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Lapse Rate Assumption, High	12.00%
Maximum [Member] | Guaranteed Minimum Income Benefits Assets [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	100
Maximum [Member] | GMIB Liabilities [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	140
Maximum [Member] | Equity Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption High	28.00%
Maximum [Member] | Bond Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption High	8.00%
Maximum [Member] | Money Market Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption High	1.00%
Minimum [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Lapse Rate Assumption, Low	0.00%
Minimum [Member] | Guaranteed Minimum Income Benefits Assets [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	15
Minimum [Member] | GMIB Liabilities [Member]	

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Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	5
Minimum [Member] | Equity Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption Low	18.00%
Minimum [Member] | Bond Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption Low	6.00%
Minimum [Member] | Money Market Funds [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Volatility Assumption Low	0.00%
Weighted Average [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Lapse Rate Assumption, Weighted Average	1.80%
Weighted average annual annuity election rate	9.00%
Weighted Average [Member] | Guaranteed Minimum Income Benefits Assets [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	65
Weighted Average [Member] | GMIB Liabilities [Member]	
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]	
Nonperformance risk adjustment	55

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Shareholders Equity and Dividend Restrictions (Tables)	12 Months Ended
	Dec. 31, 2012
Shareholders Equity And Dividend Restrictions Tables [Abstract]	
Schedule of statutory net income and surplus	

(In millions)	2012	2011	2010
Net income	**$ 1,520**	$ 953	$ 1,697
Surplus	**$ 6,109**	$ 5,286	$ 5,107

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Employee Incentive Plans (Details) (USD $) In Millions, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Compensation Costs And Related Tax Benefits Table Details [Abstract]			
Compensation costs	$ 98	$ 61	$ 49
Tax benefits	26	14	12
Number of shares of common stock available for award	8,400,000	11,700,000	7,500,000
Share-based Compensation Arrangement by Share-based Payment Award, Options, Outstanding [Roll Forward]			
Options outstanding - January 1	9,581,000	12,093,000	13,751,000
Options Granted	3,446,000	1,546,000	1,846,000
Options Exercised	(3,740,000)	(3,480,000)	(2,565,000)
Options Expired or canceled	(336,000)	(578,000)	(939,000)
Options outstanding - December 31	8,951,000	9,581,000	12,093,000
Options Exercisable - Number (in thousands)	5,731,000	6,147,000	7,656,000
Share Based Compensation Arrangement By Share Based Payment Award, Options Outstanding, Weighted Average Exercise Price [Roll Forward]			
Weighted Average Exercise Price - Options Outstanding - January 1	$ 33.92	$ 31.10	$ 29.34
Weighted Average Exercise Price - Options Granted	$ 28.29	$ 42.36	$ 34.64
Weighted Average Exercise Price - Options Exercised	$ 22.72	$ 27.93	$ 24.31
Weighted Average Exercise Price - Options Expired or canceled	$ 37.85	$ 33.61	$ 30.86
Weighted Average Exercise Price - Options Outstanding - December 31	$ 36.29	$ 33.92	$ 31.10
Options Exercisable - Weighted Average Exercise Price	$ 34.93	$ 34.94	$ 34.42
Information For Stock Options Exercised Details [Abstract]			
Intrinsic value of options exercised	95	53	30
Cash received for options exercised	85	97	62
Excess tax benefits realized from options exercised	15	10	5
Information for Outstanding Common Stock Options [Abstract]			
Options Outstanding - Number (in thousands)	8,951,000	9,581,000	12,093,000
Options Outstanding - Total intrinsic value	154		
Options Outstanding - Weighted Average Exercise Price	$ 36.29	$ 33.92	$ 31.10
Options Outstanding - Weighted average remaining contractual life	6.3		
Options Exercisable - Number (in thousands)	5,731,000	6,147,000	7,656,000
Options Exercisable - Total Intrinsic Value	106		
Options Exercisable - Weighted Average Exercise Price	$ 34.93	$ 34.94	$ 34.42
Options Exercisable - Weighted Average Remaining Contractual Life	5.1		
Assumptions For Fair Value of Options Granted Details [Abstract]			
Dividend Yield	0.10%	0.10%	0.10%
Expected Volatility	40.00%	40.00%	40.00%
Risk-free Interest Rate	0.80%	1.70%	1.90%

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Expected Option Life	4.5	4	4
Stock Options [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Compensation expense related to non-vested share-based awards	20		
Period in which compensation expense will be recognized	2		
Stock option vesting period	one to five years		
Stock option expiration period	no later than 10 years from grant date		
Weighted average fair value of options granted under employee incentive plans	$ 14.99	$ 13.96	$ 11.56
Stock Options [Member] | Minimum [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Stock option vesting period	1 year		
Stock Options [Member] | Maximum [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Stock option vesting period	5 years		
Restricted Stock Grants And Units [Member]			
Share Based Compensation Arrangement By Share Based Payment Award, Equity Instruments Other Than Options, Nonvested, Roll Forward			
Outstanding - January 1	4,246,000	4,306,000	4,113,000
Awarded	1,563,000	945,000	1,155,000
Vested	(1,485,000)	(564,000)	(541,000)
Forfeited	(260,000)	(441,000)	(421,000)
Outstanding - December 31	4,064,000	4,246,000	4,306,000
Share Based Compensation Arrangement By Share Based Payment Award, Equity Instruments Other Than Options, Nonvested, Weighted Average Grant Date Fair Value [Roll Forward]			
Outstanding - January 1	$ 28.88	$ 27.70	$ 27.65
Awarded	$ 44.37	$ 42.62	$ 34.63
Vested	$ 27.60	$ 42.79	$ 40.87
Forfeited	$ 33.61	$ 28.99	$ 29.28
Outstanding - December 31	$ 35.00	$ 28.88	$ 27.70
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Compensation expense related to non-vested share-based awards	69		
Period in which compensation expense will be recognized	3		

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Fair value of vested restricted stock	66	24	18
Number of employees holding share based payment awards at the reporting date.	3,200		
Strategic Performance Shares [Member]			
Share Based Compensation Arrangement By Share Based Payment Award, Equity Instruments Other Than Options, Nonvested, Roll Forward			
Outstanding - January 1	834,000	430,000	0
Awarded	842,000	529,000	480,000
Forfeited	(76,000)	(125,000)	(50,000)
Outstanding - December 31	1,600,000	834,000	430,000
Share Based Compensation Arrangement By Share Based Payment Award, Equity Instruments Other Than Options, Nonvested, Weighted Average Grant Date Fair Value [Roll Forward]			
Outstanding - January 1	$ 39.45	$ 34.73	$ 0
Awarded	$ 44.49	$ 42.92	$ 34.73
Forfeited	$ 43.39	$ 37.92	$ 34.65
Outstanding - December 31	$ 41.92	$ 39.45	$ 34.73
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Compensation expense related to non-vested share-based awards	$ 26		
Period in which compensation expense will be recognized	2		
Number of employees holding share based payment awards at the reporting date.	955		
Strategic Performance Shares Subject to Market Conditions	50.00%		
Strategic Performance Shares Subject to Performance Conditions	50.00%		
Strategic Performance Shares [Member] | Minimum [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Percent of original grant awarded at end of performance period	0.00%		
Strategic Performance Shares [Member] | Maximum [Member]			
Share-based Compensation Arrangement by Share-based Payment Award, Equity Instruments Other than Options, Additional Disclosures [Abstract]			
Percent of original grant awarded at end of performance period	200.00%		

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Guaranteed Minimum Death Benefit Contracts (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Guaranteed Minimum Death Benefit Contracts Reserve Strengthening [Abstract]			
Pre Tax Guaranteed Benefits Reserve Strengthening	$ 43	$ 70	$ 52
After Tax Guaranteed Benefits Reserve Strengthening	27	45	34
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member]			
Guaranteed Minimum Death Benefits Account Value Risk And Average Age Table [Line Items]			
Account value	13,303	13,753	
Net amount at risk	4,018	5,377	
Average attained age of contractholders (weighted by exposure)	72	71	
Guaranteed Minimum Death Benefits Total Contractholders	435,000	480,000	
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Highest Anniversary Annuity Value [Member]			
Guaranteed Minimum Death Benefits Account Value Risk And Average Age Table [Line Items]			
Account value	10,485	10,801	
Net amount at risk	3,303	4,487	
Average attained age of contractholders (weighted by exposure)	72	71	
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Anniversary Value Reset [Member]			
Guaranteed Minimum Death Benefits Account Value Risk And Average Age Table [Line Items]			
Account value	1,183	1,184	
Net amount at risk	22	56	
Average attained age of contractholders (weighted by exposure)	65	63	
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Other [Member]			
Guaranteed Minimum Death Benefits Account Value Risk And Average Age Table [Line Items]			
Account value	1,635	1,768	
Net amount at risk	693	834	
Average attained age of contractholders (weighted by exposure)	71	70	
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member]			
Guaranteed Minimum Death Benefits Reserves [Line Items]			
Future Policy Benefit Reserve, beginning balance, gross	1,170	1,138	1,285
Claims payable, beginning balance, gross	40	37	36
Less: Reinsurance and other amounts recoverable	53	51	53
Balance at January 1, net	1,157	1,124	1,268
Add: Incurred benefits	17	138	(20)

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Less: Paid benefits	102	105	124
Ending balance, net	1,072	1,157	1,124
Claims payable, ending balance, gross	24	40	37
Add: Reinsurance and other amounts recoverable	42	53	51
Future Policy Benefit Reserve, ending balance, gross	$ 1,090	$ 1,170	$ 1,138
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member]			
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]			
Partial Surrenders Estimate Annual Election Rate Low	0.00%		
Partial Surrenders Estimate Annual Election Rate High	13.00%		
Guaranteed Minimum Death Benefit Contracts Discount Rate	5.75%		
Fund fees, low end	1.00%		
Fund fees, high end	3.00%		
Mortality Assumption as a Percentage of 1994 Group Annuity Mortality table, Low	65.00%		
Mortality Assumption as a Percentage of 1994 Group Annuity Mortality table, High	89.00%		
Annual percentage improvement in the mortality assumption percent	1.00%		
Lapse Rate Assumption, Low	0.00%		
Lapse Rate Assumption, High	11.00%		
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Equity Funds [Member]			
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]			
Short Term Interest Rate Assumption For Future Periods	4.00%		
Mean Investment Performance Assumption	4.00%	4.75%	
Volatility Assumption Low	18.00%		
Volatility Assumption High	24.00%		
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Fixed Income Funds [Member]			
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]			
Mean Investment Performance Assumption	5.00%		
Volatility Assumption Low	5.00%		
Volatility Assumption High	7.00%		
Variable Annuity [Member] | Guaranteed Minimum Death Benefit [Member] | Money Market Funds [Member]			
Long-Duration Contracts, Assumptions by Product and Guarantee [Line Items]			
Volatility Assumption Low	0.00%		
Volatility Assumption High	1.00%		

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Fair Value Measurements (Details - Assets by level) (USD $) In Millions, unless otherwise specified	12 Months Ended				0 Months Ended					12 Months Ended							
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012 Two External Reinsurers [Member]	Dec. 31, 2011 Two External Reinsurers [Member]	Feb. 04, 2013 Berkshire Hathaway Life Insurance Company of Nebraska [Member]	Dec. 31, 2012 Fair Value Inputs Level 1 [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value Inputs Level 1 [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2012 Fair Value Inputs Level 2 [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value Inputs Level 2 [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2012 Fair Value Inputs Level 2 [Member] Designated as Hedging Instrument [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value Inputs Level 2 [Member] Designated as Hedging Instrument [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2012 Fair Value Inputs Level 2 [Member] Non designated [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value Inputs Level 2 [Member] Non designated [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2012 Fair Value Inputs Level 3 [Member]	Dec. 31, 2011 Fair Value Inputs Level 3 [Member]	Dec. 31, 2012 Fair Value Inputs Level 3 [Member] Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value Inputs Level 3 [Member] Fair Value, Measurements, Recurring [Member]
Fixed maturities:																	
Federal government and agency	$ 902	$ 958				$ 156	$ 217	$ 746	$ 738							$ 0	$ 3
State and local government	2,437	2,456				0	0	2,437	2,456							0	0
Foreign government	1,322	1,274				0	0	1,298	1,251							24	23
Corporate	11,896	10,513				0	0	11,201	10,132							695	381
Federal agency mortgage-backed	122	9				0	0	122	9							0	0
Other mortgage-backed	89	80				0	0	88	79							1	1
Other asset-backed	937	927				0	0	340	363							597	564
Total fixed maturities	17,705 [1]	16,217 [2]				156 [1]	217 [2]	16,232 [1]	15,028 [2]							1,317 [1]	972 [2]
Equity securities	111	100				4	3	73	67							34	30
Subtotal	17,816	16,317				160	220	16,305	15,095					1,351	1,002	1,351	1,002
Short-term investments	154	225				0	0	154	225							0	0
GMIB assets	622 [3]	712 [4]				0 [3]	0 [4]	0 [3]	0 [4]							622 [3]	712 [4]
Other derivative assets	41 [5]	45 [6]				0 [5]	0 [6]	41 [5]	45 [6]							0 [5]	0 [6]
Total financial assets at fair value, excluding separate accounts	18,633	17,299				160	220	16,500	15,365							1,973	1,714
Financial liabilities at fair value:																	
GMIB liabilities	1,170	1,333				0	0	0	0							1,170	1,333
Other derivative liabilities	31 [5]	30 [6]				0 [5]	0 [6]	31 [5]	30 [6]							0 [5]	0 [6]
Total financial liabilities at fair value	1,201	1,363				0	0	31	30							1,170	1,333
Percentage of GMIB exposure covered by retrocessional coverage	55.00%		55.00%	55.00%	45.00%												
Unrealized Appreciation Settlement Annuity	875	826												108	115		
Other Derivative Interest Rate And Foreign Currency Swap Hedges										$ 5	$ 10	$ 36	$ 35				

[1] Fixed maturities included $875 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $108 million of appreciation for securities classified in Level 3.

[2] Fixed maturities included $826 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $115 million of appreciation for securities classified in Level 3.

[3] The GMIB assets represent retrocessional contracts in place from two external reinsurers that cover 55% of the exposures on these contracts. Effective February 4, 2013, the Company reinsured the remaining 45% of the exposures on these contracts.

[4] The GMIB assets represent retrocessional contracts in place from two external reinsurers which cover 55% of the exposures on these contracts.

[5] Other derivative assets included $5 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $36 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.

[6] Other derivative assets included $10 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $35 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 12 for additional information.

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Depreciation and Amortization by Type (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Depreciation And Amortization By Type [Line Items]			
Depreciation And Amortization	$ 560	$ 345	$ 292
Future Amortization Expense Year One	415		
Future Amortization Expense Year Two	368		
Future Amortization Expense Year Three	312		
Future Amortization Expense Year Four	262		
Future Amortization Expense Year Five	213		
Internal-use software [Member]			
Depreciation And Amortization By Type [Line Items]			
Depreciation And Amortization	209	187	161
Other property and equipment [Member]			
Depreciation And Amortization By Type [Line Items]			
Depreciation And Amortization	144	117	99
Other Intangibles [Member]			
Depreciation And Amortization By Type [Line Items]			
Depreciation And Amortization	205	41	32
Value Of Business Acquired [Member]			
Depreciation And Amortization By Type [Line Items]			
Depreciation And Amortization	$ 2	$ 0	$ 0

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Fair Value Measurements (Details - Level 2)	12 Months Ended Dec. 31, 2012
Fair Value Disclosures [Abstract]	
Percent Level 2 Fixed Maturities Equity Securities	91.00%
Percent Level 2 Investments Foreign Bonds Broker Quote	Less than 1

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Reinsurance (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Short Duration Contracts Premium And Fees [Abstract]			
Direct	$ 23,954	$ 17,300	$ 16,492
Assumed	382	158	496
Ceded	(217)	(185)	(187)
Total short duration	24,119	17,273	16,801
Long Duration Contracts Premium And Fees [Abstract]			
Direct	2,234	1,919	1,687
Assumed	86	36	36
Ceded: Individual life insurance and annuity business sold	(186)	(203)	(195)
Ceded: Other	(66)	(59)	(55)
Total long duration	2,068	1,693	1,473
Total premiums and fees	26,187	18,966	18,274
Reinsurance Recoveries [Abstract]			
Individual life insurance and annuity business sold	316	310	321
Other	201	213	156
Total	517	523	477
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	6,256	6,256	
Great American Life Insurance Company [Member]			
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	402		
Reinsurance recoverable percent secured	100.00%		
Prudential Retirement Insurance And Annuity Company [Member]			
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	1,300	1,600	
Reinsurance recoverable percent secured	100.00%		
The Lincoln National Life Insurance Company And Lincoln Life And Annuity Of New York [Member]			
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	4,000	4,200	
Various Reinsurers Used In The Ordinary Course Of Business [Member]			
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	345		
Reinsurance recoverable percent secured	16.00%		
Reserve Held For Ceded Reinsurance Recoverable Ongoing Operations	4		
Enstar Group Limited [Member]			
Ceded Credit Risk [Line Items]			
Reinsurance recoverables	170		
Reinsurance recoverable percent secured	97.00%		
Reserve Held For Ceded Reinsurance Recoverable Ongoing Operations	$ 1		

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Acquisitions and Dispositions (Details - HealthSpring Condensed Balance Sheet) (HealthSpring [Member], USD $) In Millions, unless otherwise specified	Jan. 31, 2012
HealthSpring [Member]	
Condensed Balance Sheet At Acquisition Date	
Investments	$ 612
Cash and cash equivalents	492
Premiums, accounts and notes receivable	320
Goodwill	2,541
Intangible assets	795
Other	96
Total assets acquired	4,856
Insurance liabilities	505
Deferred income taxes	214
Debt	326
Total liabilities acquired	1,045
Net assets acquired	$ 3,811

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Common and Preferred Stock	12 Months Ended Dec. 31, 2012
Common And Preferred Stock [Abstract]	
Common and preferred stock	

Note 17 — Common and Preferred Stock

As of December 31, the Company had issued the following shares:

(Shares in thousands)	**2012**	2011
Common: Par value $0.25		
600,000 shares authorized		
Outstanding - January 1	**285,533**	271,880
Issuance of common stock	**-**	15,200
Issued for stock option and other benefit plans	**4,695**	3,735
Repurchase of common stock	**(4,399)**	(5,282)
Outstanding - December 31	**285,829**	285,533
Treasury stock	**80,316**	80,612
Issued - December 31	**366,145**	366,145

On November 16, 2011, the Company issued 15.2 million shares of its common stock at $42.75 per share. Proceeds of $650 million ($629 million net of underwriting discount and fees) were used to partially fund the HealthSpring acquisition in January 2012.

The Company maintains a share repurchase program, which was authorized by its Board of Directors. The decision to repurchase shares depends on market conditions and alternative uses of capital. The Company has, and may continue from time to time, to repurchase shares on the open market through a Rule 10b5-1 plan that permits a company to repurchase its shares at times when it otherwise might be precluded from doing so under insider trading laws or because of self-imposed trading blackout periods.

During 2012, and through February 28, 2013, the Company repurchased 4.4 million shares for $208 million. On February 27, 2013, the Company's Board of Directors increased share repurchase authority by $500 million. Accordingly, the total remaining share repurchase authorization as of February 28, 2013 was $815 million. The Company repurchased 5.3 million shares for $225 million during 2011.

The Company has authorized a total of 25 million shares of $1 par value preferred stock. No shares of preferred stock were outstanding at December 31, 2012 or 2011.

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Fair Value Measurements (Tables)	12 Months Ended Dec. 31, 2012

Fair Value Measurements [Tables] [Abstract]

Financial assets and liabilities carried at fair value

December 31, 2012

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets at fair value:				
Fixed maturities:				
Federal government and agency	$ 156	$ 746	$ -	$ 902
State and local government	-	2,437	-	2,437
Foreign government	-	1,298	24	1,322
Corporate	-	11,201	695	11,896
Federal agency mortgage-backed	-	122	-	122
Other mortgage-backed	-	88	1	89
Other asset-backed	-	340	597	937
Total fixed maturities (1)	156	16,232	1,317	17,705
Equity securities	4	73	34	111
Subtotal	160	16,305	1,351	17,816
Short-term investments	-	154	-	154
GMIB assets (2)	-	-	622	622
Other derivative assets (3)	-	41	-	41
Total financial assets at fair value, excluding separate accounts	$ 160	$ 16,500	$ 1,973	$ 18,633
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,170	$ 1,170
Other derivative liabilities (3)	-	31	-	31
Total financial liabilities at fair value	$ -	$ 31	$ 1,170	$ 1,201

(1) Fixed maturities included $875 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $108 million of appreciation for securities classified in Level 3.

(2) The GMIB assets represent retrocessional contracts in place from two external reinsurers that cover 55% of the exposures on these contracts. Effective February 4, 2013, the Company reinsured the remaining 45% of the exposures on these contracts.

(3) Other derivative assets included $5 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $36 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.

December 31, 2011

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets at fair value:				
Fixed maturities:				
Federal government and agency	$ 217	$ 738	$ 3	$ 958
State and local government	-	2,456	-	2,456
Foreign government	-	1,251	23	1,274
Corporate	-	10,132	381	10,513
Federal agency mortgage-backed	-	9	-	9
Other mortgage-backed	-	79	1	80
Other asset-backed	-	363	564	927
Total fixed maturities (1)	217	15,028	972	16,217
Equity securities	3	67	30	100
Subtotal	220	15,095	1,002	16,317
Short-term investments	-	225	-	225
GMIB assets (2)	-	-	712	712
Other derivative assets (3)	-	45	-	45
Total financial assets at fair value, excluding separate accounts	$ 220	$ 15,365	$ 1,714	$ 17,299
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,333	$ 1,333
Other derivative liabilities (3)	-	30	-	30
Total financial liabilities at fair value	$ -	$ 30	$ 1,333	$ 1,363

(1) Fixed maturities included $826 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $115 million of appreciation for securities classified in Level 3.

(2) The GMIB assets represent retrocessional contracts in place from two external reinsurers which cover 55% of the exposures on these contracts.

(3) Other derivative assets included $10 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $35 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.

Level 3 financial assets and financial liabilities

	December 31,	December 31,

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(In millions)	2012	2011
Other asset and mortgage-backed securities - valued using pricing models	**$ 598**	$ 565
Corporate and government fixed maturities - valued using pricing models	**596**	335
Corporate fixed maturities - valued at transaction price	**123**	72
Equity securities - valued at transaction price	**34**	30
Total	**$ 1,351**	$ 1,002

Level 3 Fair Value And Significant Unobservable Inputs Developed Directly By Company

As of December 31, 2012 (In millions except basis points)	Fair Value	Unobservable Input	Unobservable Adjustment to Discount Rates Range (Weighted Average) *in Basis Points*
Other asset and mortgage-backed securities	$ 584	**Liquidity**	60 - 410 (140)
		Weighting of credit spreads	50 - 4,540 (410)
Corporate and government fixed maturities	$ 439	**Liquidity**	20 - 640 (190)

Changes in level 3 financial assets and liabilities carried at fair value

(In millions)	Fixed Maturities & Equity Securities	GMIB Assets	GMIB Liabilities	GMIB Net
Balance at January 1, 2012	**$ 1,002**	**$ 712**	**$ (1,333)**	**$ (621)**
Gains (losses) included in shareholders' net income:				
GMIB fair value gain/(loss)	**-**	**(55)**	**96**	**41**
Other	**13**	**-**	**-**	**-**
Total gains (losses) included in shareholders' net income	**13**	**(55)**	**96**	**41**
Gains included in other comprehensive income	**8**	**-**	**-**	**-**
Losses required to adjust future policy benefits for settlement annuities (1)	**(10)**	**-**	**-**	**-**
Purchases, issuances, settlements:				
Purchases	**188**	**-**	**-**	**-**
Sales	**(1)**	**-**	**-**	**-**
Settlements	**(88)**	**(35)**	**67**	**32**
Total purchases, sales and settlements	**99**	**(35)**	**67**	**32**
Transfers into/(out of) Level 3:				
Transfers into Level 3	**283**	**-**	**-**	**-**
Transfers out of Level 3	**(44)**	**-**	**-**	**-**
Total transfers into/(out of) Level 3	**239**	**-**	**-**	**-**
Balance at December 31, 2012	**$ 1,351**	**$ 622**	**$ (1,170)**	**$ (548)**
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	**$ (1)**	**$ (55)**	**$ 96**	**$ 41**

(1) Amounts do not accrue to shareholders.

(In millions)	Fixed Maturities & Equity Securities	GMIB Assets	GMIB Liabilities	GMIB Net
Balance at January 1, 2011	$ 933	$ 480	$ (903)	$ (423)
Gains (losses) included in shareholders' net income:				
GMIB fair value gain/(loss)	-	270	(504)	(234)
Other	10	-	-	-
Total gains (losses) included in shareholders' net income	10	270	(504)	(234)
Gains included in other comprehensive income	7	-	-	-
Gains required to adjust future policy benefits for settlement annuities (1)	41	-	-	-
Purchases, issuances, settlements:				
Purchases	129	-	-	-
Sales	(20)	-	-	-
Settlements	(61)	(38)	74	36
Total purchases, sales, and settlements	48	(38)	74	36
Transfers into/(out of) Level 3:				
Transfers into Level 3	81	-	-	-
Transfers out of Level 3	(118)	-	-	-
Total transfers into/(out of) Level 3	(37)	-	-	-
Balance at December 31, 2011	$ 1,002	$ 712	$ (1,333)	$ (621)
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	$ 6	$ 270	$ (504)	$ (234)

(1) Amounts do not accrue to shareholders.

Separate account assets schedule

2012

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Guaranteed separate accounts (See Note 24)	**$ 245**	**$ 324**	**$ -**	**$ 569**
Non-guaranteed separate accounts (1)	**1,925**	**4,258**	**1,005**	**7,188**
Total separate account assets	**$ 2,170**	**$ 4,582**	**$ 1,005**	**$ 7,757**

(1) As of December 31, 2012, non-guaranteed separate accounts included $3.4 billion in assets supporting the Company's pension plans, including $956 million classified in Level 3.

2011

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Guaranteed separate accounts (See Note 24)	$ 249	$ 1,439	$ -	$ 1,688
Non-guaranteed separate accounts (1)	1,804	3,851	750	6,405

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Total separate account assets	$ 2,053	$ 5,290	$ 750	$ 8,093

(1) As of December 31, 2011, non-guaranteed separate accounts included $3.0 billion in assets supporting the Company's pension plans, including $702 million classified in Level 3.

Level 3 separate account assets

(In millions)	
Balance at January 1, 2012	**$ 750**
Policyholder gains (1)	**55**
Purchases, issuances, settlements:	
Purchases	**283**
Sales	**(6)**
Settlements	**(90)**
Total purchases, sales and settlements	**187**
Transfers into/(out of) Level 3:	
Transfers into Level 3	**17**
Transfers out of Level 3	**(4)**
Total transfers into/(out of) Level 3:	**13**
Balance at December 31, 2012	**$ 1,005**

(1) Included in this amount are gains of $49 million attributable to instruments still held at the reporting date.

(In millions)	
Balance at January 1, 2011	$ 594
Policyholder gains (1)	114
Purchases, issuances, settlements:	
Purchases	257
Sales	(51)
Settlements	(152)
Total purchases, sales and settlements	54
Transfers into/(out of) Level 3:	
Transfers into Level 3	4
Transfers out of Level 3	(16)
Total transfers into/(out of) Level 3:	(12)
Balance at December 31, 2011	$ 750

(1) Included in this amount are gains of $96 million attributable to instruments still held at the reporting date.

Financial instruments not carried at fair value

(In millions)		**December 31, 2012**		December 31, 2011	
	Classification in Fair Value Hierarchy	**Fair Value**	**Carrying Value**	Fair Value	Carrying Value
Commercial mortgage loans	Level 3	**$ 2,999**	**$ 2,851**	$ 3,380	$ 3,301
Contractholder deposit funds, excluding universal life products	Level 3	**$ 1,082**	**$ 1,056**	$ 1,056	$ 1,035
Long-term debt, including current maturities, excluding capital leases	Level 2	**$ 5,821**	**$ 4,986**	$ 5,319	$ 4,984

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Acquisitions (Tables)

12 Months Ended Dec. 31, 2012

Acquisitions And Dispositions Tables [Abstract]

Condensed Balance Sheet At Acquisition Date

(In millions)		
Investments	$	23
Cash and cash equivalents		54
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)		28
Goodwill		113
Separate account assets		99
Other assets, including other intangibles		100
Total assets acquired		417
Insurance liabilities		58
Accounts payable, accrued expenses and other liabilities		33
Separate account liabilities		99
Total liabilities acquired		190
Redeemable noncontrolling interest		111
Net assets acquired	$	116

Condensed Great American Supplemental Benefits Group Balance Sheet At Acquisition Date

(In millions)		
Investments	$	211
Cash and cash equivalents		36
Reinsurance recoverables		448
Goodwill		168
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)		144
Other assets, including other intangibles		35
Total assets acquired		1,042
Insurance liabilities		707
Accounts payable, accrued expenses and other liabilities		9
Total liabilities acquired		716
Net assets acquired	$	326

Calculation Of Estimated Merger Consideration Heathspring

(In millions, except per share amounts)		
HealthSpring, Inc. common shares outstanding at January 30, 2012		67.8
Less: common shares outstanding not settled in cash		(0.1)
Common shares settled in cash		67.7
Price per share	$	55
Cash consideration for outstanding shares	$	3,725
Fair value of share-based compensation awards		65
Additional cash and equity consideration		21
Total merger consideration	$	3,811

Rollover Awards For Healthspring Employees

(Awards in thousands, dollars in millions, except per share amounts)	Number of awards		Average exercise/ award price		Fair value of awards		Included in purchase price		Compensation expense post-acquisition
Vested options	589	$	14.04	$	18	$	18	$	-
Unvested options	1,336	$	16.21		37		28		9
Restricted stock	786	$	44.43		35		19		16
Total	2,711			$	90	$	65	$	25

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Condensed Healthspring Balance Sheet At Acquisition Date

(In millions)		
Investments	$	612
Cash and cash equivalents		492
Premiums, accounts and notes receivable		320
Goodwill		2,541
Intangible assets		795
Other		96
Total assets acquired		4,856
Insurance liabilities		505
Deferred income taxes		214
Debt		326
Total liabilities acquired		1,045
Net assets acquired	$	3,811

Fair Value And Useful Lives Of Intangible Assets

(Dollars in millions)		Estimated Fair Value	Estimated Useful Life (In Years)
Customer relationships	$	711	8
Other		84	3-10
Total other intangible assets	$	795	

Business Acquisition Pro Forma Information

	Year Ended December 31,			
(In millions, except per share amounts)		2012		2011
Total revenues	$	29,608	$	27,461
Shareholders' net income	$	1,633	$	1,456
Earnings per share:				
Basic	$	5.73	$	5.11
Diluted	$	5.63	$	5.02

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Realignment and Efficiency Plan (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	$ 77
less: Fourth quarter 2012 payments	6
Balance, December 31,	71
Caption that Includes Restructuring Charges	Other operating expenses
After Tax [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	50
Global Health Benefits Segment [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	65
Global Health Benefits Segment [Member] | After Tax [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	42
Global Supplemental Benefits Segment [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	9
Global Supplemental Benefits Segment [Member] | After Tax [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	6
Group Disability And Life Segment [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	3
Group Disability And Life Segment [Member] | After Tax [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	2
Employee Severance [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	72
less: Fourth quarter 2012 payments	5
Balance, December 31,	67
Real estate and mortgage loans, including pooled separate accounts [Member]	
Realignment And Efficiency Rollforward Table [Line Items]	
Third quarter 2012 charge	5
less: Fourth quarter 2012 payments	1
Balance, December 31,	$ 4

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Investments (Detail - Credit risk profile) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	$ 2,851	$ 3,301
Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	355	342
Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	795	570
Loan To Value Ratio 60 Percent To 69 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	703	905
Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	489	561
Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	294	402
Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	102	275
Loan To Value Ratio 100 Percent Or Above [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	113	246
Debt Service Coverage Ratio 1.30x Or Greater [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	1,726	1,567
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	297	225

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Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	614	444
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 60 Percent To 69 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	562	646
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	194	117
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	45	99
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	14	36
Debt Service Coverage Ratio 1.30x Or Greater [Member] | Loan To Value Ratio 100 Percent Or Above [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	0
Debt Service Coverage Ratio 1.20x To 1.29x [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	402	500
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	8	55
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	104	47
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 60 Percent To 69 Percent [Member]		

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Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	75	140
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	143	132
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	42	81
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	30	35
Debt Service Coverage Ratio 1.20x To 1.29x [Member] | Loan To Value Ratio 100 Percent Or Above [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	10
Debt Service Coverage Ratio 1.10x To 1.19x [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	318	350
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	3
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	25	26
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 60 Percent To 69 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	42
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		

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Commercial mortgage loan	132	120
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	131	79
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	30
Debt Service Coverage Ratio 1.10x To 1.19x [Member] | Loan To Value Ratio 100 Percent Or Above [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	30	50
Debt Service Coverage Ratio 1.00x To 1.09x [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	207	390
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	50	50
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	52	0
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 60 Percent To 69 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	66	0
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	4	159
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	18	72

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Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	58
Debt Service Coverage Ratio 1.00x To 1.09x [Member] | Loan To Value Ratio 100 Percent Or Above [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	17	51
Debt Service Coverage Ratio Less Than 1.00x [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	198	494
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio Below 50 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	9
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 50 Percent To 59 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	53
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 60 Percent To 69 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	0	77
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 70 Percent To 79 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	16	33
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 80 Percent To 89 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	58	71
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 90 Percent To 99 Percent [Member]		
Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	58	116
Debt Service Coverage Ratio Less Than 1.00x [Member] | Loan To Value Ratio 100 Percent Or Above [Member]		

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Schedule Of Financing Receivable Recorded Investment Credit Quality Indicator [Line Items]		
Commercial mortgage loan	$ 66	$ 135

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Schedule III - Supplementary Insurance Information	12 Months Ended
	Dec. 31, 2012
Supplementary Insurance Information [Abstract]	
Supplementary Insurance Information	

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE III
SUPPLEMENTARY INSURANCE INFORMATION
(In millions)

Segment	Deferred policy acquisition costs	Future policy benefits and contractholder deposit funds	Medical claims payable and unpaid claims	Unearned premiums and fees
Year Ended December 31, 2012:				
Global Health Care	$ 19	$ 175	$ 1,856	$ 111
Group Disability and Life	1	1,599	3,482	26
Global Supplemental Benefits	1,113	2,227	306	388
Run-off Reinsurance	-	1,094	153	-
Other Operations	65	12,678	142	24
Corporate	-	-	(21)	-
Total	$ 1,198	$ 17,773	$ 5,918	$ 549
Year Ended December 31, 2011:				
Global Health Care	$ 19	$ 170	$ 1,443	$ 103
Group Disability and Life	1	1,572	3,228	26
Global Supplemental Benefits	729	1,255	177	346
Run-off Reinsurance	-	1,172	240	-
Other Operations	68	12,977	160	27
Corporate	-	-	(7)	-
Total	$ 817	$ 17,146	$ 5,241	$ 502
Year Ended December 31, 2010:				
Global Health Care	$ 22	$ 178	$ 1,555	$ 87
Group Disability and Life	2	1,464	3,201	27
Global Supplemental Benefits	609	1,085	112	271
Run-off Reinsurance	-	1,139	244	-
Other Operations	68	12,790	159	31
Corporate	-	-	(8)	-
Total	$ 701	$ 16,656	$ 5,263	$ 416

Premiums and fees (1)	Net investment income (2)	Benefit expenses (1)(3)	Amortization of deferred policy acquisition expenses	Other operating expenses (4)
$ 20,973	$ 259	$ 14,228	$ 68	$ 6,573

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3,109	300	2,290	3	721
1,984	90	1,005	141	770
21	102	16	0	(12)
100	388	361	6	51
0	5	0	0	421
$ 26,187	$ 1,144	$ 17,900	$ 218	$ 8,524
$ 14,443	$ 263	$ 9,125	$ 139	$ 5,404
2,857	291	2,086	4	650
1,528	83	754	110	628
24	103	140	0	265
114	400	385	6	60
0	6	0	0	233
$ 18,966	$ 1,146	$ 12,490	$ 259	$ 7,240
$ 14,134	$ 230	$ 9,222	$ 155	$ 5,216
2,770	287	2,035	6	707
1,231	69	603	84	505
25	114	(22)	0	113
114	404	395	6	53
0	1	0	0	248
$ 18,274	$ 1,105	$ 12,233	$ 251	$ 6,842

Effective December 31, 2012, Cigna changed its reporting segments. Prior period information has been conformed to the current reporting segments. Prior periods for certain information in this Schedule III (Deferred policy acquisition costs, Amortization of deferred policy acquisition costs, and Other operating expenses) have been updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements included in this Form 10-K for additional information.

(1) Amounts presented are shown net of the effects of reinsurance. See Note 8 to the Consolidated Financial Statements included in this Form 10-K.

(2) The allocation of net investment income is based upon the investment year method, the identification of certain portfolios with specific segments, or a combination of both.

(3) Benefit expenses include Global Health Care medical claims expense and other benefit expenses.

(4) Other operating expenses include mail order pharmacy cost of goods sold, GMIB fair value (gain) loss and other operating expenses, and excludes amortization of deferred policy acquisition expenses.

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Derivative Financial Instruments (Tables)

12 Months Ended Dec. 31, 2012

Derivative Financial Instruments [Tables] [Abstract]

Designated as accounting hedges; interest rate, FX and combinations

Fair Value Effect on the Financial Statements *(In millions)*

Instrument	Other Long-Term Investments As of December 31, 2012	2011	Accounts Payable, Accrued Expenses and Other Liabilities As of December 31, 2012	2011	Gain (Loss) Recognized in Other Comprehensive Income (1) For the years ended December 31, 2012	2011
Interest rate swaps	**$ 4**	$ 7	**$ -**	$ -	**$ (3)**	$ (3)
Foreign currency swaps	**1**	3	**18**	19	**(3)**	(1)
Combination interest rate and foreign currency swaps	**-**	-	**13**	11	**(2)**	1
Total	**$ 5**	$ 10	**$ 31**	$ 30	**$ (8)**	$ (3)

(1) Other comprehensive income for foreign currency swaps excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.

Designated as accounting hedges; interest rate, FX and combinations, notional

Instrument	Notional Amount (In millions) As of December 31, 2012	2011
Interest rate swaps	**$ 58**	$ 134
Foreign currency swaps	**133**	134
Combination interest rate and foreign currency swaps	**64**	64
Total	**$ 255**	$ 332

Not designated as accounting hedges; futures

Fair Value Effect on the Financial Statements *(In millions)*

	Other Revenues For the years ended December 31, 2012	2011
Equity and currency futures for GMDB exposures	**$ (110)**	$ (45)
Equity and currency futures for GMIB exposures	**(16)**	4
Total equity and currency futures *(1)*	**$ (126)**	$ (41)

Not designated as accounting hedges; interest rate swaps and futures

	Other Assets, including other intangibles As of December 31, 2012	2011	Other Revenues For the years ended December 31, 2012	2011
Interest rate swaps	**$ 35**	**$ 33**	**$ 8**	**$ 39**
Interest rate futures *(1)*	**-**	**-**	**(1)**	**(2)**
Total interest rate swaps and futures	**$ 35**	**$ 33**	**$ 7**	**$ 37**
Interest rate derivatives for GMDB exposures			**$ 5**	**$ 31**
Interest rate derivatives for GMIB exposures			**2**	**6**
Total interest rate swaps and futures			**$ 7**	**$ 37**

(1) Balance sheet presentation of amounts receivable or payable relating to futures daily variation margin are excluded from this table.

Not designated as accounting hedges; futures and swaps, notional

Instrument	Notional Amount *(In millions)* As of December 31, 2012	As of December 31, 2011
Equity and currency futures - equity hedge	**$ 777**	$ **994**
Interest rate swaps - growth interest rate hedge	**240**	**240**
U.S. Treasury futures - growth interest rate hedge	**16**	**29**
Eurodollar futures - growth interest rate hedge	**482**	**598**
Total	**$ 1,515**	$ **1,861**

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Not designated as accounting hedges; GMIB written and purchased options

Fair Value Effect on the Financial Statements ***(In millions)***

	Other Assets, including other intangibles		Accounts Payable, Accrued Expenses and Other Liabilities		GMIB Fair Value (Gain) Loss	
	As of December 31,		As of December 31,		For the years ended December 31,	
Instrument	**2012**	2011	**2012**	2011	**2012**	2011
Written options (GMIB liability)			**$ 1,170**	$ 1,333	**$ (96)**	$ 504
Purchased options (GMIB asset)	**$ 622**	$ 712			**55**	(270)
Total	**$ 622**	$ 712	**$ 1,170**	$ 1,333	**$ (41)**	$ 234

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Summary of Significant Accounting Policies (Details) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Accounting Policies [Abstract]			
Allowance for doubtful accounts netted against premiums, accounts and notes receivable	$ 51,000,000	$ 45,000,000	
Allowance for doubtful accounts netted against reinsurance recoverables	4,000,000	5,000,000	
Amortization for policy acquisition costs recorded in other operating expense	218,000,000	259,000,000	251,000,000
Statement Line Items [Line Items]			
Goodwill	6,001,000,000	3,164,000,000	3,119,000,000
Finite Lived Intangible Assets Amortization Method	accelerated or straight-line basis		
Finite Lived Intangible Assets Useful Life Minimum	1		
Finite Lived Intangible Assets Useful Life Maximum	30		
Future policy benefits interest rate assumptions range low	1.00%		
Future policy benefits interest rate assumptions range high	10.00%		
Discount rate assumption for LTD and Workers' comp claim liabilities range low	1.83%		
Discount rate assumption for LTD and Workers' comp claim liabilities range high	6.25%		
Discounted liability for long-term disability and workers' compensation business	3,200,000,000	3,200,000,000	
Percent of Administrative Service Only fees at risk for performance guarantees	16.00%		
Percent of ASO fees reimbursed for performance guarantees	1.00%		
Percent of total life insurance in force that is participating business	1.00%		
Global Health Benefits Segment [Member]			
Statement Line Items [Line Items]			
Goodwill	5,700,000,000		
Global Supplemental Benefits Segment [Member]			
Statement Line Items [Line Items]			
Goodwill	$ 350,000,000		
Building And Building Improvements Member			
Property Plant And Equipment [Line Items]			
Property Plant And Equipment Useful Life Minimum	10		
Property Plant And Equipment Useful Life Maximum	40		
Internal-use software [Member]			
Property Plant And Equipment [Line Items]			
Property Plant And Equipment Useful Life Minimum	1		
Property Plant And Equipment Useful Life Maximum	5		
Internally developed software			

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Property Plant And Equipment [Line Items]	
Property Plant And Equipment Useful Life Minimum	3
Property Plant And Equipment Useful Life Maximum	7
Furniture and equipment (including computer equipment)	
Property Plant And Equipment [Line Items]	
Property Plant And Equipment Useful Life Minimum	3
Property Plant And Equipment Useful Life Maximum	10

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Segment Information (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Medical Premiums [Abstract]											
Total premiums and fees									$ 26,187	$ 18,966	$ 18,274
Mail order pharmacy revenues									1,623	1,447	1,420
Other revenues									121	244	254
Net investment income									1,144	1,146	1,105
Total revenues	7,620	7,323	7,422	6,754	5,425	5,574	5,479	5,387	29,119	21,865	21,128
Depreciation and amortization									560	345	292
Income taxes									853	615	519
Segment earnings	406 [1]	466 [2]	380 [3]	371 [4]	273 [5]	183 [6]	391 [7]	413 [8]	1,623	1,260	1,279
Medicare Part D Fees										61	57
Operating Segments [Member]											
Medical Premiums [Abstract]											
Segment earnings									1,592	1,219	1,229
Global Health Benefits Segment [Member]											
Medical Premiums [Abstract]											
Guaranteed cost									4,256 [9]	4,176 [9]	3,929 [9]
Experience-rated									2,022 [10]	1,934 [10]	1,823 [10]
Stop loss									1,672	1,451	1,287
International health care									1,648	1,344	976
Dental									1,005	894	804
Medicare									4,969	489	1,470
Medicaid									207	0	0
Medicare Part D									1,421	685	615
Other									677	600	543
Total medical									17,877	11,573	11,447
Fees									3,096 [11]	2,870 [11]	2,687 [11]
Total premiums and fees									20,973	14,443	14,134
Mail order pharmacy revenues									1,623	1,447	1,420
Other revenues									225	236	269
Net investment income									259	263	230
Total revenues									23,080	16,389	16,053
Depreciation and amortization									500	297	255
Income taxes									793	616	520
Segment earnings									1,418	1,105	940
Commercial Operating Segment [Member]											
Medical Premiums [Abstract]											
Number of states in which products and services are offered	50								50		

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Medicare Advantage Plans [Member]				
Medical Premiums [Abstract]				
Number of states in which products and services are offered	13	13		
Medicare Part D Plans [Member]				
Medical Premiums [Abstract]				
Number of states in which products and services are offered	50	50		
Group Disability And Life Segment [Member]				
Medical Premiums [Abstract]				
Total premiums and fees		3,109	2,857	2,770
Other revenues		0	0	123
Net investment income		300	291	287
Total revenues		3,409	3,148	3,180
Depreciation and amortization		10	10	8
Income taxes		116	113	127
Segment earnings		279	295	305
Group Disability And Life Segment [Member] | Life [Member]				
Medical Premiums [Abstract]				
Total premiums and fees		1,426	1,333	1,341
Group Disability And Life Segment [Member] | Disability [Member]				
Medical Premiums [Abstract]				
Total premiums and fees		1,413	1,268	1,167
Group Disability And Life Segment [Member] | Other [Member]				
Medical Premiums [Abstract]				
Total premiums and fees		270	256	262
Global Supplemental Benefits Segment [Member]				
Medical Premiums [Abstract]				
Total premiums and fees		1,984	1,528	1,231
Other revenues		21	15	22
Net investment income		90	83	69
Total revenues		2,095	1,626	1,322
Depreciation and amortization		28	13	8
Income taxes		36	36	42
Equity in income of investees		10	15	18

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Segment earnings	142	97	84
Corporate Segment [Member]			
Medical Premiums [Abstract]			
Other revenues	(61)	(58)	(62)
Net investment income	5	6	1
Total revenues	(56)	(52)	(61)
Depreciation and amortization	0	0	0
Income taxes	(148)	(101)	(98)
Segment earnings	$ (329)	$ (184)	$ (211)

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

[9] Excludes the international health care business.

[10] Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also includes certain non-participating cases for which special customer level reporting of experience is required.

[11] Includes fees related to the international health care business. Fees related to Medicare Part D of $61 million in 2011 and $57 million in 2010 have been reclassified to premiums to conform to current presentation.

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Quarterly Financial Data (Tables)

12 Months Ended Dec. 31, 2012

Quarterly Financial Data Tables [Abstract]

Quarterly Financial Data Table [Text Block]

(In millions, except per share amounts)	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
Consolidated Results				
2012				
Total revenues	**$ 6,754**	**$ 7,422**	**$ 7,323**	**$ 7,620**
Income from continuing operations before income taxes	**552**	**588**	**718**	**619**
Shareholders' net income	**371*(1)***	**380*(2)***	**466*(3)***	**406*(4)***
Shareholders' net income per share:				
Basic	**1.30**	**1.33**	**1.64**	**1.43**
Diluted	**1.28**	**1.31**	**1.61**	**1.41**
2011				
Total revenues	$ 5,387	$ 5,479	$ 5,574	$ 5,425
Income from continuing operations before income taxes	579	592	273	432
Shareholders' net income	413*(5)*	391*(6)*	183*(7)*	273*(8)*
Shareholders' net income per share:				
Basic	1.53	1.46	0.68	0.99
Diluted	1.51	1.43	0.67	0.98
Stock and Dividend Data				
2012				
Price range of common stock — high	**$ 49.89**	**$ 49.63**	**$ 47.92**	**$ 54.53**
— low	**$ 41.27**	**$ 42.21**	**$ 39.34**	**$ 47.31**
Dividends declared per common share	**$ 0.04**	**$ -**	**$ -**	**$ -**
2011				
Price range of common stock — high	$ 44.29	$ 51.81	$ 52.95	$ 47.61
— low	$ 36.76	$ 42.80	$ 40.24	$ 38.82
Dividends declared per common share	$ 0.04	$ -	$ -	$ -

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Reinsurance (Tables)

12 Months Ended Dec. 31, 2012

Reinsurance [Tables] [Abstract]

Effects of Reinsurance

(In millions)	**2012**	2011	2010
Premiums and Fees			
Short-duration contracts:			
Direct	**$ 23,954**	$ 17,300	$ 16,492
Assumed	**382**	158	496
Ceded	**(217)**	(185)	(187)
	24,119	17,273	16,801
Long-duration contracts:			
Direct	**2,234**	1,919	1,687
Assumed	**86**	36	36
Ceded:			
Individual life insurance and annuity business sold	**(186)**	(203)	(195)
Other	**(66)**	(59)	(55)
	2,068	1,693	1,473
Total	**$ 26,187**	$ 18,966	$ 18,274
Reinsurance recoveries			
Individual life insurance and annuity business sold	**$ 316**	$ 310	$ 321
Other	**201**	213	156
Total	**$ 517**	$ 523	$ 477

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Description of Business	12 Months Ended Dec. 31, 2012
Description Of Business [Abstract]	
Description of Business	**Note 1 — Description of Business** Cigna Corporation was incorporated in the State of Delaware in 1981. Various businesses that are described in this Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (“Form 10-K”) are conducted by its insurance and other subsidiaries. As used in this document, “Cigna”, the “Company”, “we” and “our” may refer to Cigna Corporation itself, one or more of its subsidiaries, or Cigna Corporation and its consolidated subsidiaries. The Company is a global health services organization with a mission to help its customers improve their health, well-being and sense of security. Its insurance subsidiaries are major providers of medical, dental, disability, life and accident insurance and related products and services, the majority of which are offered through employers and other groups (e.g. governmental and non-governmental organizations, unions and associations). Cigna also offers Medicare and Medicaid products and health, life and accident insurance coverages primarily to individuals in the U.S. and selected international markets. In addition to its ongoing operations described above, Cigna also has certain run-off operations, including a Run-off Reinsurance segment.

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Subsequent Event - Reinsurance of GMDB and GMIB Business (Details) (New Contract [Member], USD $)	0 Months Ended	3 Months Ended
	Feb. 04, 2013	Mar. 31, 2013
Subsequent Event [Line Items]		
Subsequent Event, Date	Feb. 04, 2013	
Subsequent Event, Description	Effective February 4, 2013, the Company entered into an agreement with Berkshire Hathaway Life Insurance Company of Nebraska (Berkshire) to reinsure the GMDB and GMIB businesses.	
Nature, Purpose and Effect of Reinsurance Transactions	Effective February 4, 2013, the Company entered into an agreement with Berkshire Hathaway Life Insurance Company of Nebraska (Berkshire) to reinsure the GMDB and GMIB businesses. Berkshire will reinsure 100% of the Company's future claim payments, net of retrocessional arrangements in place prior to February 4, 2013, for a reinsurance premium of $2.2 billion. The reinsurance agreement is subject to an overall limit of approximately $3.8 billion plus future premiums collected under the contracts being reinsured that will be paid to Berkshire. The Company estimates that these future premium amounts will be from $0.1 to $0.3 billion and, accordingly, expects future claims of approximately $4 billion to be covered by the agreement.	
Ceded Reinsurance Agreement, Premium Amount	$ 2,200,000,000	
Ceded Reinsurance Agreement, Coverage Limit, Fixed Portion	3,800,000,000	
Ceded Reinsurace Agreement, Covered Claims, Expected Amount	4,000,000,000	
Payments for Reinsurance	725,000,000,000	
Subsequent Event, After-tax impact to shareholders' net income		500,000,000
Minimum [Member]		
Subsequent Event [Line Items]		
Ceded Reinsurance Agreement, Coverage Limit, Variable Portion	100,000,000	
Maximum [Member]		
Subsequent Event [Line Items]		

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Ceded Reinsurance Agreement, Coverage Limit, Variable Portion	$ 300,000,000

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Schedule I - Summary of Investments (Tables)

Summary of Investments, Other than Investments in Related Parties [Abstract]	12 Months Ended Dec. 31, 2012
Summary Of Investments Other Than Investments In Related Parties [Table Text Block]	

Type of Investment	Cost	Fair Value	Amount at which shown in the Consolidated Balance Sheet
Fixed maturities:			
Bonds:			
United States government and government agencies and authorities	$ 509	$ 902	$ 902
States, municipalities and political subdivisions	2,169	2,437	2,437
Foreign governments	1,197	1,322	1,322
Public utilities	102	106	106
All other corporate bonds	10,466	11,752	11,752
Asset backed securities:			
United States government agencies mortgage-backed	121	122	122
Other mortgage-backed	82	89	89
Other asset-backed	798	937	937
Redeemable preferred stocks	37	38	38
Total fixed maturities	15,481	17,705	17,705
Equity securities:			
Common stocks:			
Industrial, miscellaneous and all other	28	33	33
Non redeemable preferred stocks	93	78	78
Total equity securities	121	111	111
Commercial mortgage loans on real estate	2,851		2,851
Policy loans	1,501		1,501
Real estate investments	83		83
Other long-term investments	1,213		1,255
Short-term investments	154		154
Total investments	$ 21,404		$ 23,660

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Earnings Per Share (Tables)

12 Months Ended Dec. 31, 2012

Earnings Per Share [Tables] [Abstract]

Earnings Per Share Table

(Dollars in millions, except per share amounts)	Basic	Effect of Dilution	Diluted
2012			
Shareholders' net income	**$ 1,623**	**$ -**	**$ 1,623**
Shares *(in thousands):*			
Weighted average	**284,819**	**-**	**284,819**
Common stock equivalents		**4,711**	**4,711**
Total shares	**284,819**	**4,711**	**289,530**
EPS	**$ 5.70**	**$ (0.09)**	**$ 5.61**
2011			
Shareholders' net income	$ 1,260	$ -	$ 1,260
Shares *(in thousands):*			
Weighted average	270,691	-	270,691
Common stock equivalents		3,558	3,558
Total shares	270,691	3,558	274,249
EPS	$ 4.65	$ (0.06)	$ 4.59
2010			
Shareholders' net income	$ 1,279	$ -	$ 1,279
Shares *(in thousands):*			
Weighted average	272,866	-	272,866
Common stock equivalents		2,421	2,421
Total shares	272,866	2,421	275,287
EPS	$ 4.69	$ (0.04)	$ 4.65

Antidilutive Options Table

(In millions)	**2012**	2011	2010
Antidilutive options	**2.5**	3.7	6.3

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Employee Incentive Plans

12 Months Ended Dec. 31, 2012

Employee Incentive Plans [Abstract]

Employee Incentive Plans

Note 21 — Employee Incentive Plans

The People Resources Committee (“the Committee”) of the Board of Directors awards stock options, restricted stock, deferred stock and, beginning in 2010, strategic performance shares to certain employees. To a very limited extent, the Committee has issued common stock instead of cash compensation and dividend equivalent rights as part of restricted and deferred stock units. The Company issues shares from Treasury stock for option exercises, awards of restricted stock and payment of deferred and restricted stock units.

As explained further in Note 3, in connection with the HealthSpring acquisition on January 31, 2012, HealthSpring employees' awards of options and restricted shares of HealthSpring stock were rolled over to Cigna stock options and restricted stock. Unless otherwise indicated, information in this footnote includes the effect of the HealthSpring rollover awards.

Compensation cost and related tax benefits for these awards were as follows:

(In millions)	**2012**	2011	2010
Compensation cost	**$ 98**	$ 61	$ 49
Tax benefits	**$ 26**	$ 14	$ 12

The Company had the following number of shares of common stock available for award at December 31: 8.4 million in 2012, 11.7 million in 2011 and 7.5 million in 2010.

Stock options. The Company awards options to purchase the Company's common stock at the market price of the stock on the grant date. Options vest over periods ranging from one to five years and expire no later than 10 years from grant date.

The table below shows the status of, and changes in, common stock options during the last three years:

(Options in thousands)	**2012**		2011		2010	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding - January 1	**9,581**	**$ 33.92**	12,093	$ 31.10	13,751	$ 29.34
Granted	**3,446**	**$ 28.29**	1,546	$ 42.36	1,846	$ 34.64
Exercised	**(3,740)**	**$ 22.72**	(3,480)	$ 27.93	(2,565)	$ 24.31
Expired or canceled	**(336)**	**$ 37.85**	(578)	$ 33.61	(939)	$ 30.86
Outstanding - December 31	**8,951**	**$ 36.29**	9,581	$ 33.92	12,093	$ 31.10
Options exercisable at year-end	**5,731**	**$ 34.93**	6,147	$ 34.94	7,656	$ 34.42

Compensation expense of $20 million related to unvested stock options at December 31, 2012 will be recognized over the next two years (weighted average period).

The table below summarizes information for stock options exercised during the last three years:

(In millions)	**2012**	2011	2010
Intrinsic value of options exercised	**$ 95**	$ 53	$ 30
Cash received for options exercised	**$ 85**	$ 97	$ 62
Excess tax benefits realized from options exercised	**$ 15**	$ 10	$ 5

The following table summarizes information for outstanding common stock options at December 31, 2012:

(Dollars in millions, except per share amounts)	**Options Outstanding**	**Options Exercisable**
Number (in thousands)	**8,951**	**5,731**
Total intrinsic value	**$ 154**	**$ 106**
Weighted average exercise price	**$ 36.29**	**$ 34.93**

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Weighted average remaining contractual life		**6.3 yrs**	**5.1 yrs**

Excluding the HealthSpring rollover options, the weighted average fair value of options granted under employee incentive plans was $14.99 for 2012, $13.96 for 2011 and $11.56 for 2010, using the Black-Scholes option-pricing model and the assumptions presented in the following table. See Note 3 for additional information regarding the valuation of the HealthSpring rollover awards.

	2012	2011	2010
Dividend yield	**0.1%**	0.1%	0.1%
Expected volatility	**40.0%**	40.0%	40.0%
Risk-free interest rate	**0.8%**	1.7%	1.9%
Expected option life	**4.5 years**	4 years	4 years

The expected volatility reflects the Company's past daily stock price volatility. The Company does not consider volatility implied in the market prices of traded options to be a good indicator of future volatility because remaining maturities of traded options are less than one year. The risk-free interest rate is derived using the four-year U.S. Treasury bond yield rate as of the award date for the primary grant. Expected option life reflects the Company's historical experience.

Restricted stock. The Company awards restricted stock to its employees or directors with vesting periods ranging from two to five years. These awards are generally in one of two forms: restricted stock grants or restricted stock units. Restricted stock grants are the most widely used form of restricted stock awards and are used for substantially all U.S.-based employees receiving such awards. Recipients of restricted stock grants are entitled to earn dividends and to vote during the vesting period, but forfeit their awards if their employment terminates before the vesting date. Awards of restricted stock units are generally limited to international employees. A restricted stock unit represents a right to receive a common share of stock when the unit vests. Recipients of restricted stock units are entitled to receive hypothetical dividends, but cannot vote during the vesting period. They forfeit their units if their employment terminates before the vesting date.

The table below shows the status of, and changes in, restricted stock grants and units during the last three years:

(Awards in thousands)	**2012**			2011			2010		
	Grants/Units		**Weighted Average Fair Value at Award Date**	Grants/Units		Weighted Average Fair Value at Award Date	Grants/Units		Weighted Average Fair Value at Award Date
Outstanding - January 1	**4,246**	**$**	**28.88**	4,306	$	27.70	4,113	$	27.65
Awarded	**1,563**	**$**	**44.37**	945	$	42.62	1,155	$	34.63
Vested	**(1,485)**	**$**	**27.60**	(564)	$	42.79	(541)	$	40.87
Forfeited	**(260)**	**$**	**33.61**	(441)	$	28.99	(421)	$	29.28
Outstanding - December 31	**4,064**	**$**	**35.00**	4,246	$	28.88	4,306	$	27.70

The fair value of vested restricted stock was: $66 million in 2012, $24 million in 2011 and $18 million in 2010.

At the end of 2012, approximately 3,200 employees held 4.1 million restricted stock grants and units with $69 million of related compensation expense to be recognized over the next three years (weighted average period).

Strategic Performance Shares. The Company awards strategic performance shares to executives and certain other key employees generally with a performance period of three years. Strategic performance shares are divided into two broad groups: 50% are subject to a market condition (total shareholder return relative to industry peer companies) and 50% are subject to performance conditions (revenue growth and cumulative adjusted net income). These targets are set by the Committee. At the end of the performance period, holders of strategic performance shares will be awarded anywhere from 0 to 200% of the original grant of strategic performance shares in Cigna common stock.

The table below shows the status of, and changes in, strategic performance shares during the last three years:

(Awards in thousands)	**2012**			**2011**			**2010**		
	Grants/ Units		**Weighted Average Fair Value at Award Date**	**Grants/ Units**		**Weighted Average Fair Value at Award Date**	**Grants/ Units**		**Weighted Average Fair Value at Award Date**
Outstanding - January 1	**834**	**$**	**39.45**	430	$	34.73	-	$	-
Awarded	842	$	44.49	529	$	42.92	480	$	34.73

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Forfeited	(76)	$	43.39	(125)	$	37.92	(50)	$	34.65
Outstanding - December 31	**1,600**	**$**	**41.92**	**834**	**$**	**39.45**	**430**	**$**	**34.73**

At the end of 2012, approximately 955 employees held 1.6 million strategic performance shares and $26 million of related compensation expense was expected to be recognized over the next two years. For strategic performance shares subject to a performance condition, the amount of expense may vary based on actual performance in 2013 and 2014.

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Income Taxes	12 Months Ended Dec. 31, 2012

Income Taxes [Abstract]

Income Taxes

Note 20 — Income Taxes

A. Income Tax Expense

The components of income taxes for the years ended December 31 were as follows:

(In millions)		**2012**		2011		2010
Current taxes						
U.S. income	**$**	**604**	$	320	$	267
Foreign income		**72**		58		45
State income		**43**		20		19
		719		398		331
Deferred taxes (benefits)						
U.S. income		**131**		193		187
Foreign income		**4**		23		8
State income		**(1)**		1		(7)
		134		217		188
Total income taxes	**$**	**853**	$	615	$	519

Total income taxes for the years ended December 31 were different from the amount computed using the nominal federal income tax rate of 35% for the following reasons:

(In millions)		**2012**		2011		2010
Tax expense at nominal rate	**$**	**867**	$	657	$	631
Tax-exempt interest income		**(28)**		(29)		(31)
Effect of permanently invested foreign earnings		**(37)**		(17)		(11)
Dividends received deduction		**(3)**		(4)		(3)
Resolution of federal tax matters		**-**		(30)		-
State income tax (net of federal income tax benefit)		**28**		14		9
Change in valuation allowance		**6**		5		(93)
Other		**20**		19		17
Total income taxes	**$**	**853**	$	615	$	519

Effect of Permanently Invested Foreign Earnings

The Company provides for income taxes on the undistributed earnings of certain foreign operations using the foreign jurisdictions' tax rate, as compared to the higher U.S. statutory tax rate. Commencing in the first quarter of 2012, the Company began using this approach to compute income taxes attributable to its China and Indonesia operations, based upon a determination that the related earnings would be permanently invested overseas. The Company continues to evaluate the permanent investment of foreign earnings for additional jurisdictions.

Shareholders' net income for the year ended December 31, 2012 increased by $37 million related to this method of providing for income taxes including $13 million attributable to the first quarter implementation of this method for the Company's China and Indonesia operations. Permanent investment of foreign operation earnings has resulted in cumulative unrecognized deferred tax liabilities of $116 million through December 31, 2012. The year-to-date change in the cumulative unrecognized deferred tax liability includes an increase of $10 million associated with unrecorded deferred tax liabilities reported through other comprehensive income.

Change in Valuation Allowance

The significant decline in the 2010 valuation allowance primarily reflects the resolution of a disputed federal income tax matter specific to the run-off reinsurance operations.

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B. Deferred Income Taxes

Deferred income tax assets and liabilities as of December 31 are shown below.

(In millions)	**2012**	2011
Deferred tax assets		
Employee and retiree benefit plans	**$ 765**	$ 829
Investments, net	**95**	108
Other insurance and contractholder liabilities	**486**	443
Deferred gain on sale of businesses	**28**	46
Policy acquisition expenses	**147**	151
Loss carryforwards	**9**	8
Other accrued liabilities	**164**	109
Bad debt expense	**21**	17
Other	**33**	37
Deferred tax assets before valuation allowance	**1,748**	1,748
Valuation allowance for deferred tax assets	**(42)**	(45)
Deferred tax assets, net of valuation allowance	**1,706**	1,703
Deferred tax liabilities		
Depreciation and amortization	**704**	377
Foreign operations, net	**147**	128
Unrealized appreciation on investments and foreign currency translation	**481**	395
Total deferred tax liabilities	**1,332**	900
Net deferred income tax assets	**$ 374**	$ 803

Management believes consolidated taxable income expected to be generated in the future will be sufficient to support realization of the Company's net deferred tax assets. This determination is based upon the Company's consistent overall earnings history and future earnings expectations. Other than deferred tax benefits attributable to operating loss carryforwards, there are no time constraints within which the Company's deferred tax assets must be realized.

The Company's deferred tax asset is net of federal, state, and foreign valuation allowances. The foreign valuation allowance was initially recorded in connection with the Company's 2011 acquisition of FirstAssist, for which there was a year over year decline of $7 million. This reduction did not impact shareholder's net income. The valuation allowance reflects management's assessment that certain deferred tax assets may not be realizable.

C. Uncertain Tax Positions

A reconciliation of unrecognized tax benefits for the years ended December 31 is as follows:

(In millions)	**2012**	2011	2010
Balance at January 1,	**$ 52**	$ 177	$ 214
Decrease due to prior year positions	**(5)**	(113)	(55)
Increase due to current year positions	**7**	7	34
Reduction related to settlements with taxing authorities	**-**	(17)	(13)
Reduction related to lapse of applicable statute of limitations	**(3)**	(2)	(3)
Balance at December 31,	**$ 51**	$ 52	$ 177

There was minimal change in the level of unrecognized tax benefits during 2012.

The December 31, 2012 unrecognized tax benefit balance included $29 million that would increase shareholders' net income if recognized. The Company has determined it is at least reasonably possible that within the next twelve months there could be a significant change in the level of unrecognized tax benefits specific to development in ongoing IRS examinations. These changes are not expected to have a material impact on shareholders' net income.

The Company classifies net interest expense on uncertain tax positions and any applicable penalties as a component of income tax expense, but excludes these amounts from the liability for uncertain tax positions. The Company's liability for net interest and

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penalties was $3 million at December 31, 2012, $2 million at December 31, 2011 and $14 million at December 31, 2010. The 2011 decline included $11 million associated with the completion of the 2007 and 2008 IRS examinations.

During the first quarter of 2011, the IRS completed its examination of the Company's 2007 and 2008 consolidated federal income tax returns, resulting in an increase to shareholders' net income of $24 million ($33 million reported in income tax expense, partially offset by a $9 million pre-tax charge). The increase in shareholders' net income included a reduction in net unrecognized tax benefits of $11 million and a reduction of interest expense of $11 million (reported in income tax expense).

D. Federal Income Tax Examinations, Litigation and Other Matters

The Company has had a continuing dispute with the IRS for tax years 2004 through 2006 regarding the appropriate reserve methodology for certain reinsurance contracts. Trial was held before the United States Tax Court for the 2004 tax year in September 2011. Prior to trial, the IRS conceded the underlying adjustments but continued to challenge the Company's reserve methodology as a matter of law. The United States Tax Court issued its opinion for the 2004 year on September 13, 2012. While declining to rule on the broader legal issue, the opinion confirmed the Company's tax reserve calculation and referenced an IRS representation that it would not challenge the Company's reserving methodology in future tax years, thereby providing certainty that the Company may continue to use its current reserve methodology prospectively. Tax computations for the 2004 tax year have been reviewed by the staff of the Joint Committee of Taxation and the parties are currently awaiting entry of the Tax Court's decision, that is expected shortly. On January 9, 2013 the Tax Court entered its decision on this issue for the 2005 and 2006 tax years, ordering and deciding that the Company has no tax deficiency.

The IRS continues to be engaged in its examination of the Company's 2009 and 2010 consolidated federal income tax returns. This review is expected to be competed in 2013, and is not expected to have a material impact on shareholder's net income. The Company conducts business in numerous state and foreign jurisdictions, and may be engaged in multiple audit proceedings at any given time. Generally, no further state audit activity is expected for tax years prior to 2008, and prior to 2001for foreign audit activity.

The American Taxpayer Act of 2012 was signed into law on January 2, 2013. This legislation retroactively extended for 2012, as well as for 2013, several otherwise expired corporate tax provisions from which the Company benefits. Tax benefits specific to extension of these provisions for 2012 will be recorded in the first quarter of 2013, and are not expected to have a material impact on shareholder's net income.

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Derivative Financial Instruments (Details - Non-hedge accounting) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Derivative Financial Instruments Text Details [Abstract]		
Foreign Currency Swaps Cash Flow Hedge Maximum Term	9 years	
Accounts Payable Accrued Expenses And Other Liabilities [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	$ 1,170	$ 1,333
Accounts Payable Accrued Expenses And Other Liabilities [Member] | Written Options Gmib Liability [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	1,170	1,333
Other Assets [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	622	712
Other Assets [Member] | Purchased Options Gmib Asset [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	622	712
Other Assets [Member] | Interest Rate Futures Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	0 [1]	0 [1]
Other Assets [Member] | Interest Rate Swaps And Futures [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	35	33
Other Assets [Member] | Interest Rate Swap Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	35	33
Guaranteed Minimum Income Benefits Fair Value Gain Loss [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(41)	234
Guaranteed Minimum Income Benefits Fair Value Gain Loss [Member] | Written Options Gmib Liability [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(96)	504

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Guaranteed Minimum Income Benefits Fair Value Gain Loss [Member] | Purchased Options Gmib Asset [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	55	(270)
Other Revenue [Member] | Guaranteed Minimum Income Benefits Equity And Currency Futures [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(16)	4
Other Revenue [Member] | Guaranteed Minimum Death Benefits Equity and Currency Futures [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(110)	(45)
Other Revenue [Member] | Equity and Currency Futures Contract [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(126)	(41)
Other Revenue [Member] | Interest Rate Futures Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	(1)	(2)
Other Revenue [Member] | Interest Rate Swaps And Futures [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Fair Value	7	37
Other Revenue [Member] | Guaranteed Minimum Income Benefits Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	2	6
Other Revenue [Member] | Guaranteed Minimum Death Benefits Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	5	31
Other Revenue [Member] | Interest Rate Swap Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Derivative Gain Loss	8	39
Notional [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	1,515	1,861
Notional [Member] | Written Options Gmib Liability [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	1,065	1,244
Notional [Member] | Purchased Options Gmib Asset [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	586	684

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Notional [Member] | Equity and Currency Futures Contract [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	777	994
Notional [Member] | Treasury Interest Rate Futures Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	16	29
Notional [Member] | Eurodollar Interest Rate Futures Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	482	598
Notional [Member] | Interest Rate Swap Growth Interest [Member] | Non designated [Member]		
Derivative [Line Items]		
Notional Amount of Derivatives	$ 240	$ 240

[1] Balance sheet presentation of amounts receivable or payable relating to futures daily variation margin are excluded from this table.

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Accumulated Other Comprehensive Income (Loss) (Tables)	12 Months Ended Dec. 31, 2012
Accumulated Other Comprehensive Loss Table [Abstract]	
Changes in accumulated other comprehensive income (loss)	

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2012						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	$	271	$	(90)	$	181
Reclassification adjustment for losses (gains) included in shareholders' net income		(52)		18		(34)
Net unrealized appreciation, securities	$	219	$	(72)	$	147
Net unrealized depreciation, derivatives	$	(7)	$	2	$	(5)
Net translation of foreign currencies	$	78	$	(12)	$	66
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs, and settlement charges	$	52	$	(18)	$	34
Net change arising from assumption and plan changes and experience		(181)		55		(126)
Net postretirement benefits liability adjustment	$	(129)	$	37	$	(92)

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2011						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	$	366	$	(127)	$	239
Reclassification adjustment for (gains) included in net income		(49)		18		(31)
Net unrealized appreciation, securities	$	317	$	(109)	$	208
Net unrealized appreciation, derivatives	$	1	$	-	$	1
Net translation of foreign currencies	$	(21)	$	(1)	$	(22)
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$	22	$	(7)	$	15
Net change arising from assumption and plan changes and experience		(580)		205		(375)
Net postretirement benefits liability adjustment	$	(558)	$	198	$	(360)

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2010						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	$	319	$	(109)	$	210
Reclassification adjustment for (gains) included in net income		(92)		32		(60)
Net unrealized appreciation, securities	$	227	$	(77)	$	150
Net unrealized appreciation derivatives	$	8	$	(2)	$	6
Net translation of foreign currencies	$	40	$	(7)	$	33
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$	10	$	(4)	$	6
Net change arising from assumption and plan changes and experience		(311)		116		(195)
Net postretirement benefits liability adjustment	$	(301)	$	112	$	(189)

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Global Health Care Medical Claims Payable (Tables)	12 Months Ended Dec. 31, 2012
Global Health Care Medical Claims Payable Tables [Abstract]	
Schedule of medical claims payable balance	

(In millions)	**2012**	2011
Incurred but not yet reported	**$ 1,541**	$ 1,059
Reported claims in process	**243**	232
Other medical expense payable	**72**	14
Medical claims payable	**$ 1,856**	$ 1,305

Schedule of medical claims payable activity

(In millions)	**2012**	2011	2010
Balance at January 1,	**$ 1,305**	$ 1,400	$ 1,045
Less: Reinsurance and other amounts recoverable	**249**	284	257
Balance at January 1, net	**1,056**	1,116	788
Acquired net:	**504**	-	-
Incurred claims related to:			
Current year	**14,428**	9,265	9,337
Prior years	**(200)**	(140)	(115)
Total incurred	**14,228**	9,125	9,222
Paid claims related to:			
Current year	**12,854**	8,227	8,217
Prior years	**1,320**	958	677
Total paid	**14,174**	9,185	8,894
Balance at December 31, net	**1,614**	1,056	1,116
Add: Reinsurance and other amounts recoverable	**242**	249	284
Balance at December 31,	**$ 1,856**	$ 1,305	$ 1,400

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Leases Rentals and Outsourced Service Arrangements	12 Months Ended Dec. 31, 2012
Leases Rentals And Outsourced Service Arrangements [Abstract]	
Leases, Rentals and Outsourced Service Arrangements	**Note 22 — Leases, Rentals and Outsourced Service Arrangements** The Company has several operating leases, primarily for office space, with a weighted average term of approximately 9 years. Some of these leases include renewal options and other incentives that are amortized over the life of the lease. Rental expenses for operating leases amounted to $130 million in 2012, $115 million in 2011 and $127 million in 2010. As of December 31, 2012, future net minimum rental payments under non-cancelable operating leases were approximately $570 million, payable as follows (in millions): $116 in 2013, $108 in 2014, $82 in 2015, $65 in 2016, $43 in 2017 and $156 thereafter. The Company also has several outsourced service arrangements with third parties, primarily for human resource and information technology support services. The initial service periods under these arrangements range from P7Y to P8Y years and their related costs are reported consistent with operating leases over the service period based on the pattern of use. The Company recorded in other operating expenses $86 million in 2012, $116 million in 2011 and $114 million in 2010 for these arrangements.

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Segment Information

[Segment Information [Abstract]]

[Segment Information [Text Block]]

12 Months Ended Dec. 31, 2012

Note 23 — Segment Information

Effective December 31, 2012, Cigna changed its external reporting segments to reflect the Company's realignment of its businesses to better leverage distribution and service delivery capabilities for the benefit of our global clients and customers. Management believes the realignment of its businesses will enable the Company to more effectively address global health services challenges by leveraging best practices across geographies to improve the health, well being and sense of security of the global customers that the Company serves. The changes in the Company's internal financial reporting structure, to support this realignment, took effect on December 31, 2012 and resulted in changes to our external reporting segments. The Company's results are now aggregated based on the nature of the Company's products and services, rather than its geographies.

.

The primary segment reporting change is that the two businesses that comprised the former International segment (international health care and supplemental health, life and accident) are now reported as follows:

- substantially all of the international health care business (comprised primarily of the global health benefits business) is now reported with the former Health Care segment and renamed ***Global Health Care***; and

- the supplemental health, life and accident business becomes a separate reporting segment named ***Global Supplemental Benefits***.

As a result of these changes, the financial results of Cigna's businesses are now reported in the following segments:

Global Health Care aggregates the following two operating segments:

- The ***Commercial*** operating segment includes both the U.S. commercial and international health care businesses that offer insured and self-insured medical, dental, behavioral health, vision, and prescription drug benefit plans, health advocacy programs and other products and services that may be integrated to provide comprehensive global health care benefit programs to employers and their employees, including globally mobile individuals. Cigna, either directly or through its partners, offers some or all of these products and services in all 50 states, the District of Columbia, the U.S. Virgin Islands, Canada, Europe, the Middle East, and Asia. Cigna services its globally mobile customers virtually everywhere in the world. These products and services are offered through a variety of funding arrangements such as administrative services only (ASO), guaranteed cost and retrospectively experience rated.

- The ***Government*** operating segment offers Medicare Advantage plans to seniors in 13 states and the District of Columbia, Medicare Part D plans in all 50 states and the District of Columbia and Medicaid plans.

Global Supplemental Benefits includes supplemental health, life and accident insurance products offered in the U.S. and foreign markets, primarily in Asia as well as Medicare supplemental coverage following the 2012 acquisition of Great American Supplemental Benefits.

Group Disability and Life represents group disability, life and accident insurance products, including certain disability and life insurance business previously reported in the former Health Care segment.

Run-off Reinsurance is predominantly comprised of GMDB and GMIB business. On December 31, 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar Group Limited and transferring the ongoing administration of this business to the reinsurer.

The Company also reports results in two other categories.

Other Operations consist of:

- corporate-owned life insurance (“COLI”);
- deferred gains recognized from the 1998 sale of the individual life insurance and annuity business and the 2004 sale of the retirement benefits business; and
- run-off settlement annuity business.

Corporate reflects amounts not allocated to other segments, such as net interest expense (defined as interest on corporate debt less net investment income on investments not supporting segment operations), interest on uncertain tax positions, certain litigation matters, intersegment eliminations, compensation cost for stock options and certain corporate overhead expenses such as directors' expenses.
In 2010, the Company began reporting the expense associated with its frozen pension plans in Corporate. Prior periods were not restated as the effect on prior periods was not material.

The Company measures the financial results of its segments using “segment earnings (loss)”, which is defined as shareholders' income (loss) from continuing operations before after-tax realized investment results. The Company determines segment earnings (loss) consistent with accounting policies used in preparing the consolidated financial statements, except that amounts included in Corporate are not allocated to segments. The Company allocates certain other operating expenses, such as systems and other key corporate overhead expenses, on systematic bases. Income taxes are generally computed as if each segment were filing a separate income tax return. The Company does not report total assets by segment since this is not a metric used to allocate resources or evaluate segment performance.

Summarized segment financial information for the years ended December 31 was as follows:

(In millions)	**2012**	2011	2010
Global Health Care			
Premiums and fees:			
Medical:			
Guaranteed cost (1)	**$ 4,256**	$ 4,176	$ 3,929
Experience-rated (2)	**2,022**	1,934	1,823
Stop loss	**1,672**	1,451	1,287
International health care	**1,648**	1,344	976
Dental	**1,005**	894	804
Medicare	**4,969**	489	1,470
Medicaid	**207**	-	-

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	2012	2011	2010
Medicare Part D	**1,421**	685	615
Other	**677**	600	543
Total medical	**17,877**	11,573	11,447
Fees (3)	**3,096**	2,870	2,687
Total premiums and fees	**20,973**	14,443	14,134
Mail order pharmacy revenues	**1,623**	1,447	1,420
Other revenues	**225**	236	269
Net investment income	**259**	263	230
Segment revenues	**$ 23,080**	$ 16,389	$ 16,053
Depreciation and amortization	**$ 500**	$ 297	$ 255
Income taxes	**$ 793**	$ 616	$ 520
Segment earnings	**$ 1,418**	$ 1,105	$ 940

(1) Excludes the international health care business.

(2) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also includes certain non-participating cases for which special customer level reporting of experience is required.

(3) Includes fees related to the international health care business. Fees related to Medicare Part D of $61 million in 2011 and $57 million in 2010 have been reclassified to premiums to conform to current presentation.

(In millions)	**2012**	2011	2010
Group Disability and Life			
Premiums and fees:			
Life	**$ 1,426**	$ 1,333	$ 1,341
Disability	**1,413**	1,268	1,167
Other	**270**	256	262
Total	**3,109**	2,857	2,770
Other revenues	**-**	-	123
Net investment income	**300**	291	287
Segment revenues	**$ 3,409**	$ 3,148	$ 3,180
Depreciation and amortization	**$ 10**	$ 10	$ 8
Income taxes	**$ 116**	$ 113	$ 127
Segment earnings	**$ 279**	$ 295	$ 305
Global Supplemental Benefits			
Premiums and fees	**$ 1,984**	$ 1,528	$ 1,231
Other revenues	**21**	15	22
Net investment income	**90**	83	69
Segment revenues	**$ 2,095**	$ 1,626	$ 1,322
Depreciation and amortization	**$ 28**	$ 13	$ 8
Income taxes	**$ 36**	$ 36	$ 42
Equity in income of investees	**$ 10**	$ 15	$ 18
Segment earnings	**$ 142**	$ 97	$ 84
Run-off Reinsurance			
Premiums and fees and other revenues	**$ (98)**	$ 20	$ (133)
Net investment income	**102**	103	114
Segment revenues	**$ 4**	$ 123	$ (19)
Income tax benefits	**$ -**	$ (99)	$ (136)
Segment earnings (loss)	**$ -**	$ (183)	$ 26
Other Operations			
Premiums and fees and other revenues	**$ 155**	$ 169	$ 174
Net investment income	**388**	400	404
Segment revenues	**$ 543**	$ 569	$ 578
Depreciation and amortization	**$ 22**	$ 25	$ 21
Income taxes	**$ 43**	$ 29	$ 39
Segment earnings	**$ 82**	$ 89	$ 85
Corporate			
Other revenues and eliminations	**$ (61)**	$ (58)	$ (62)
Net investment income	**5**	6	1
Segment revenues	**$ (56)**	$ (52)	$ (61)
Income tax benefits	**$ (148)**	$ (101)	$ (98)
Segment loss	**$ (329)**	$ (184)	$ (211)
Realized investment gains			
Realized investment gains	**$ 44**	$ 62	$ 75
Income taxes	**13**	21	25
Realized investment gains			
net of taxes and noncontrolling interest	**$ 31**	$ 41	$ 50
Total			
Premiums and fees and other revenues	**$ 26,308**	$ 19,210	$ 18,528
Mail order pharmacy revenues	**1,623**	1,447	1,420
Net investment income	**1,144**	1,146	1,105
Realized investment gains	**44**	62	75
Total revenues	**$ 29,119**	$ 21,865	$ 21,128
Depreciation and amortization	**$ 560**	$ 345	$ 292
Income taxes	**$ 853**	$ 615	$ 519
Segment earnings	**$ 1,592**	$ 1,219	$ 1,229

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	2012	2011	2010
Realized investment gains,			
net of taxes and noncontrolling interest	**$ 31**	$ 41	$ 50
Shareholders' net income	**$ 1,623**	$ 1,260	$ 1,279

Premiums and fees, mail order pharmacy revenues and other revenues by product type were as follows for the years ended December 31:

(In millions)	**2012**	2011	2010
Medical	**$ 20,973**	$ 14,443	$ 14,134
Disability	**1,413**	1,268	1,167
Supplemental Health, Life, and Accident	**3,680**	3,117	2,834
Mail order pharmacy	**1,623**	1,447	1,420
Other	**242**	382	393
Total	**$ 27,931**	$ 20,657	$ 19,948

Premiums and fees, mail order pharmacy revenues and other revenues by geographic location were as follows for the years ended December 31:

(In millions)	**2012**	2011	2010
U.S.	**$ 25,217**	$ 18,522	$ 18,326
South Korea	**1,076**	909	717
All other foreign	**1,638**	1,226	905
Total	**$ 27,931**	$ 20,657	$ 19,948

Consolidated pre-tax income from continuing operations is primarily attributable to domestic operations. Consolidated pre-tax income from continuing operations generated by the Company's foreign operations was approximately 8% in 2012, 10% in 2011 and 9% in 2010.

Concentration of risk. For the Company's Global Supplemental Benefits segment, South Korea is the single largest geographic market. South Korea generated 54% of the segment's revenues and 90% of the segment's earnings in 2012. Due to the concentration of business in South Korea, the Global Supplemental Benefits segment is exposed to potential losses resulting from economic and geopolitical developments in that country, as well as foreign currency movements affecting the South Korean currency, that could have a significant impact on the segment's results and the Company's consolidated financial results.

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Consolidated Statements of Cash Flows (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Cash Flows from Operating Activities			
Net Income	$ 1,624	$ 1,261	$ 1,283
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	560	345	292
Realized investment (gains) losses	(44)	(62)	(75)
Deferred income taxes	134	217	188
Gains on sale of businesses (excluding discontinued operations)	(18)	(25)	(13)
(Income) from discontinued operations	0	0	0
Net changes in assets and liabilities, net of non-operating effects:			
Premiums, accounts and notes receivable	(71)	(50)	62
Reinsurance recoverables	62	19	37
Deferred policy acquisition costs	(159)	(129)	(94)
Other assets	31	(307)	3
Insurance liabilities	245	154	325
Accounts payable, accrued expenses and other liabilities	(132)	344	(272)
Current income taxes	29	(246)	2
Proceeds from sales of mortgage loans held for sale	61	0	0
Other, net	28	(30)	5
Net cash provided by operating activities	2,350	1,491	1,743
Proceeds from investments sold:			
Fixed maturities	583	830	822
Equity securities	8	46	4
Commercial mortgage loans	380	253	63
Other (primarily short-term and other long-term investments)	831	1,915	1,102
Investment maturities and repayments:			
Fixed maturities	1,507	1,265	1,084
Commercial mortgage loans	342	385	70
Investments purchased:			
Fixed maturities	(2,326)	(2,877)	(2,587)
Equity securities	(8)	(20)	(12)
Commercial mortgage loans	(364)	(487)	(239)
Other (primarily short-term and other long-term investments)	(821)	(2,056)	(810)
Property and equipment purchases	(408)	(422)	(300)
Acquisitions and dispositions, net of cash acquired	(3,581)	(102)	(539)
Net cash used in investing activities	(3,857)	(1,270)	(1,342)
Cash Flows from Financing Activities			
Deposits and interest credited to contractholder deposit funds	1,337	1,323	1,295
Withdrawals and benefit payments from contractholder deposit funds	(1,264)	(1,178)	(1,205)
Change in cash overdraft position	25	(1)	59

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Net change in short-term debt	98	0	0
Net proceeds on issuance of long-term debt	0	2,676	543
Repayment of long-term debt	(326)	(451)	(270)
Repurchase of common stock	(208)	(225)	(201)
Issuance of common stock	121	734	64
Common dividends paid	(11)	(11)	(11)
Net cash provided by financing activities	(228)	2,867	274
Effect of foreign currency rate changes on cash and cash equivalents	23	(3)	6
Net increase (decrease) in cash and cash equivalents	(1,712)	3,085	681
Cash and cash equivalents, beginning of year	4,690	1,605	924
Cash and cash equivalents, end of year	2,978	4,690	1,605
Supplemental Disclosure of Cash Information:			
Income taxes paid, net of refunds	655	633	326
Interest paid	$ 248	$ 185	$ 180

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Contingencies and Other Matters	12 Months Ended Dec. 31, 2012
Contingencies And Other Matters [Abstract]	
Contingencies and Other Matters	

Note 24 — Contingencies and Other Matters

The Company, through its subsidiaries, is contingently liable for various guarantees provided in the ordinary course of business.

A. Financial Guarantees Primarily Associated with the Sold Retirement Benefits Business

Separate account assets are contractholder funds maintained in accounts with specific investment objectives. The Company records separate account liabilities equal to separate account assets. In certain cases, primarily associated with the sold retirement benefits business (that was sold in April 2004), the Company guarantees a minimum level of benefits for retirement and insurance contracts written in separate accounts. The Company establishes an additional liability if management believes that the Company will be required to make a payment under these guarantees.

The Company guarantees that separate account assets will be sufficient to pay certain retiree or life benefits. The sponsoring employers are primarily responsible for ensuring that assets are sufficient to pay these benefits and are required to maintain assets that exceed a certain percentage of benefit obligations. This percentage varies depending on the asset class within a sponsoring employer's portfolio (for example, a bond fund would require a lower percentage than a riskier equity fund) and thus will vary as the composition of the portfolio changes. If employers do not maintain the required levels of separate account assets, the Company or an affiliate of the buyer has the right to redirect the management of the related assets to provide for benefit payments. As of December 31, 2012, employers maintained assets that exceeded the benefit obligations. Benefit obligations under these arrangements were $559 million as of December 31, 2012. As of December 31, 2012, approximately 21% of these guarantees are reinsured by an affiliate of the buyer of the retirement benefits business. The remaining guarantees are provided by the Company with minimal reinsurance from third parties. There were no additional liabilities required for these guarantees as of December 31, 2012. Separate account assets supporting these guarantees are classified in Levels 1 and 2 of the GAAP fair value hierarchy. See Note 11 for further information on the fair value hierarchy.

The Company does not expect that these financial guarantees will have a material effect on the Company's consolidated results of operations, liquidity or financial condition.

B. Guaranteed Minimum Income Benefit Contracts

See Notes 11 (fair value) and 13 (derivatives) for further information on GMIB contracts. Under these guarantees, the future payment amounts are dependent on equity and bond fund market and interest rate levels prior to and at the date of annuitization election, that must occur within 30 days of a policy anniversary, after the appropriate waiting period. Therefore, the future payments are not fixed and determinable under the terms of the contract. Accordingly, the Company's maximum potential undiscounted future payment of $1.1 billion was determined using the following hypothetical assumptions:

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- no annuitants surrendered their accounts;
- all annuitants lived to elect their benefit;
- all annuitants elected to receive their benefit on the next available date (2013 through 2018); and
- all underlying mutual fund investment values remained at the December 31, 2012 value of $1.1 billion with no future returns.

The Company has retrocessional coverage in place from two external reinsurers that covers 55% of the exposures on these contracts. The Company reinsured the remainder of the exposures on these contracts effective February 4, 2013. The Company bears the risk of loss if its retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company.

C. Certain Other Guarantees

The Company had indemnification obligations to lenders of up to $331 million as of December 31, 2012, related to borrowings by certain real estate joint ventures that the Company either records as an investment or consolidates. These borrowings, that are nonrecourse to the Company, are secured by the joint ventures' real estate properties with fair values in excess of the loan amounts and mature at various dates beginning in 2013 through 2042. The Company's indemnification obligations would require payment to lenders for any actual damages resulting from certain acts such as unauthorized ownership transfers, misappropriation of rental payments by others or environmental damages. Based on initial and ongoing reviews of property management and operations, the Company does not expect that payments will be required under these indemnification obligations. Any payments that might be required could be recovered through a refinancing or sale of the assets. In some cases, the Company also has recourse to partners for their proportionate share of amounts paid. There were no liabilities required for these indemnification obligations as of December 31, 2012.

As of December 31, 2012, the Company guaranteed that it would compensate the lessors for a shortfall of up to $41 million in the market value of certain leased equipment at the end of the lease. Guarantees of $16 million expire in 2016 and $25 million expire in 2025. The Company had liabilities for these guarantees of $2 million as of December 31, 2012.

The Company had indemnification obligations as of December 31, 2012 in connection with acquisition and disposition transactions. These indemnification obligations are triggered by the breach of representations or covenants provided by the Company, such as representations for the presentation of financial statements, the filing of tax returns, compliance with law or the identification of outstanding litigation. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential amount due is subject to contractual limitations based on a percentage of the transaction purchase price, while in other cases limitations are not specified or applicable. The Company does not believe that it is possible to determine the maximum potential amount due under these obligations, since not all amounts due under these indemnification obligations are subject to limitation. There were no liabilities for these indemnification obligations as of December 31, 2012.

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The Company does not expect that these guarantees will have a material adverse effect on the Company's consolidated results of operations, financial condition or liquidity.

D. Regulatory and Industry Developments

Employee benefits regulation. The business of administering and insuring employee benefit programs, particularly health care programs, is heavily regulated by federal and state laws and administrative agencies, such as state departments of insurance and the Federal Departments of Labor and Justice, as well as the courts. Regulation, legislation and judicial decisions have resulted in changes to industry and the Company's business practices and will continue to do so in the future. In addition, the Company's subsidiaries are routinely involved with various claims, lawsuits and regulatory and IRS audits and investigations that could result in financial liability, changes in business practices, or both.

Health care regulation and legislation in its various forms, including the implementation of the Patient Protection and Affordable Care Act (including the Reconciliation Act) that was signed into law during the first quarter of 2010 and found to be constitutional by the U.S. Supreme Court in June of 2012, could have a material adverse effect on the Company's health care operations if it inhibits the Company's ability to respond to market demands, adversely affects the way the Company does business, or results in increased medical or administrative costs without improving the quality of care or services.

Other possible regulatory and legislative changes or judicial decisions that could have an adverse effect on the Company's employee benefits businesses include:

- additional mandated benefits or services that increase costs;
- legislation that would grant plan participants broader rights to sue their health plans;
- changes in public policy and in the political environment, that could affect state and federal law, including legislative and regulatory proposals related to health care issues, that could increase cost and affect the market for the Company's health care products and services;
- changes in Employee Retirement Income Security Act of 1974 (“ERISA”) regulations resulting in increased administrative burdens and costs;
- additional restrictions on the use of prescription drug formularies and rulings from pending purported class action litigation, that could result in adjustments to or the elimination of the average wholesale price of pharmaceutical products as a benchmark in establishing certain rates, charges, discounts, guarantees and fees for various prescription drugs;
- additional privacy legislation and regulations that interfere with the proper use of medical information for research, coordination of medical care and disease and disability management;
- additional variations among state laws mandating the time periods and administrative processes for payment of health care provider claims;
- legislation that would exempt independent physicians from antitrust laws; and
- changes in federal tax laws, such as amendments that could affect the taxation of employer provided benefits.

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The employee benefits industry remains under scrutiny by various state and federal government agencies and could be subject to government efforts to bring criminal actions in circumstances that could previously have given rise only to civil or administrative proceedings.

Guaranty fund assessments. The Company operates in a regulatory environment that may require the Company to participate in assessments under state insurance guaranty association laws. The Company's exposure for certain obligations of insolvent insurance companies to policyholders and claimants to assessments is based on its share of business it writes in the relevant jurisdictions. For the years ended December 31, 2012, 2011, and 2010, charges related to guaranty fund assessments were not material to the Company's results of operations**.**

The Company is aware of an insurer that is in rehabilitation, an intermediate action before insolvency. On May 3, 2012, the state court denied the regulator's amended petitions for liquidation and set forth specific requirements and a deadline for the regulator to develop a plan of rehabilitation without liquidating the insurer. On May 14, 2012 the regulator filed a post-trial motion requesting the court to reconsider its decision. On September 28, 2012, an Order of Judgment was entered finalizing the court's opinion that the insurer is not insolvent and remains in rehabilitation. The regulator has appealed the court's decision. If the state court's decision is reversed and the insurer is declared insolvent and placed in liquidation, the Company and other insurers may be required to pay a portion of policyholder claims through guaranty fund assessments from various states in which the Company's insurance subsidiaries write premiums. Based on current information available, in the event of a reversal of the state court decision and liquidation of the insurer, the Company has estimated that potential future assessments could result in future charges totaling approximately $ 60 million after-tax. The Company will continue to monitor the outcome of the court's deliberations.

E. Litigation and Other Legal Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory and IRS audits, investigations and other legal matters arising, for the most part, in the ordinary course of managing a health services business, including payments to providers and benefit level disputes. Such legal matters include benefit claims, breach of contract claims, tort claims, disputes regarding reinsurance arrangements, employment related suits, employee benefit claims, wage and hour claims, and intellectual property and real estate related disputes. Litigation of income tax matters is accounted for under FASB's accounting guidance for uncertainty in income taxes. Further information can be found in Note 20. The outcome of litigation and other legal matters is always uncertain, and unfavorable outcomes that are not justified by the evidence can occur. The Company believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously.

When the Company (in the course of its regular review of pending litigation and legal matters) has determined that a material loss is reasonably possible, the matter is disclosed including an estimate or range of loss or a statement that such an estimate cannot be made. In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even possible or to estimate the amount or range of any loss. In accordance with applicable accounting guidance, when litigation and regulatory matters present loss contingencies that are both probable

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and estimable, the Company accrues the estimated loss by a charge to income. The amount accrued represents the Company's best estimate of the probable loss. If only a range of estimated losses can be determined, the Company accrues an amount within the range that, in the Company's judgment, reflects the most likely outcome; if none of the estimates within that range is a better estimate than any other amount, the Company accrues at the low end of the range. In cases that the Company has accrued an estimated loss, the accrued amount may differ materially from the ultimate amount of the relevant costs.

The Company increased its reserves by $124 million pre-tax ($81 million after-tax) during 2012, primarily relating to developments in the Amara matter as discussed below, resulting in pre-tax reserves for these matters of $189 million ($123 million after-tax) as of December 31, 2012. Due to numerous uncertain factors presented in these cases, it is not possible to estimate an aggregate range of loss (if any) for these matters at this time.

Except as otherwise noted, the Company believes that the legal actions, proceedings and investigations currently pending against it should not have a material adverse effect on the Company's results of operations, financial condition or liquidity based upon current knowledge and taking into consideration current accruals. However, in light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed the amounts currently accrued by the Company and that an adverse outcome in one or more of these matters could be material to the Company's results of operation, financial condition or liquidity for any particular period.

Amara cash balance pension plan litigation. On December 18, 2001, Janice Amara filed a class action lawsuit, captioned *Janice C. Amara, Gisela R. Broderick, Annette S. Glanz, individually and on behalf of all others similarly situated v. Cigna Corporation and Cigna Pension Plan,* in the United States District Court for the District of Connecticut against Cigna Corporation and the Cigna Pension Plan on behalf of herself and other similarly situated participants in the Cigna Pension Plan affected by the 1998 conversion to a cash balance formula. The plaintiffs allege various ERISA violations including, among other things, that the Plan's cash balance formula discriminates against older employees; the conversion resulted in a wear away period (when the pre-conversion accrued benefit exceeded the post-conversion benefit); and these conditions are not adequately disclosed in the Plan.

In 2008, the court issued a decision finding in favor of Cigna Corporation and the Cigna Pension Plan on the age discrimination and wear away claims. However, the court found in favor of the plaintiffs on many aspects of the disclosure claims and ordered an enhanced level of benefits from the existing cash balance formula for the majority of the class, requiring class members to receive their frozen benefits under the pre-conversion Cigna Pension Plan and their post-1997 accrued benefits under the post-conversion Cigna Pension Plan. The court also ordered, among other things, pre-judgment and post-judgment interest.

Both parties appealed the court's decisions to the United States Court of Appeals for the Second Circuit that issued a decision on October 6, 2009 affirming the District Court's judgment and order on all issues. On January 4, 2010, both parties filed separate petitions for a writ of certiorari to the United States Supreme Court. Cigna's petition was granted, and on May 16, 2011, the Supreme Court issued its Opinion in which it reversed the lower courts' decisions and remanded the case to the trial judge for reconsideration of the remedy. The Court unanimously agreed with

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the Company's position that the lower courts erred in granting a remedy for an inaccurate plan description under an ERISA provision that allows only recovery of plan benefits. However, the decision identified possible avenues of "appropriate equitable relief" that plaintiffs may pursue as an alternative remedy. The case was returned to the trial court and hearings took place on December 9, 2011 and March 29-30, 2012. Over the summer, the trial judge passed away after a long illness and the case was re-assigned.

On December 20, 2012, the new trial judge issued a decision awarding equitable relief to the class. The court's order requires the Company to reform the pension plan to provide a substantially identical remedy to that ordered by the first trial judge in 2008. Both parties appealed the order and the judge stayed implementation of the order pending resolution of the appeals. In light of the re-affirmed remedy ordered by the District Court, the Company was required to re-evaluate its reserve for this case. Due to the current economic environment of low interest rates that have a significant impact on the valuation of potential future pension benefits, the Company was required to increase its reserve for this matter in the fourth quarter of 2012. The Company will continue to vigorously defend its position in this case.

Ingenix. On February 13, 2008, State of New York Attorney General Andrew M. Cuomo announced an industry-wide investigation into the use of data provided by Ingenix, Inc., a subsidiary of UnitedHealthcare, used to calculate payments for services provided by out-of-network providers. The Company received four subpoenas from the New York Attorney General's office in connection with this investigation and responded appropriately. On February 17, 2009, the Company entered into an Assurance of Discontinuance resolving the investigation. In connection with the industry-wide resolution, the Company contributed $10 million to the establishment of a new non-profit company that now compiles and provides the data formerly provided by Ingenix.

The Company was named as a defendant in a number of putative nationwide class actions asserting that due to the use of data from Ingenix, Inc., the Company improperly underpaid claims, an industry-wide issue. All of the class actions were consolidated into *Franco v. Connecticut General Life Insurance Company et al.,* that is pending in the United States District Court for the District of New Jersey. The consolidated amended complaint, filed on August 7, 2009, asserts claims under ERISA, the RICO statute, the Sherman Antitrust Act and New Jersey state law on behalf of subscribers, health care providers and various medical associations.

On September 23, 2011, the court granted in part and denied in part the Company's motion to dismiss the consolidated amended complaint. The court dismissed all claims by the health care provider and medical association plaintiffs for lack of standing to sue, and as a result the case will proceed only on behalf of subscribers. In addition, the court dismissed all of the antitrust claims, the ERISA claims based on disclosure and the New Jersey state law claims. The court did not dismiss the ERISA claims for benefits and claims under the RICO statute.

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Plaintiffs filed a motion to certify a nationwide class of subscriber plaintiffs on December 19, 2011, which was denied on January 16, 2013. Plaintiffs petitioned for an immediate appeal of the order denying class certification, that the Company opposed.

It is reasonably possible that others could initiate additional litigation or additional regulatory action against the Company with respect to use of data provided by Ingenix, Inc. The Company denies the allegations asserted in the investigations and litigation and will vigorously defend itself in these matters.

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Pension and Other Postretirement Benefits (Details - Pension Plan Assets) (Pension Benefits [Member], USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	$ 3,665	$ 3,298	$ 3,163
Defined Benefit Plan, Assets, Target Allocations [Abstract]			
Target investment allocation percentage of equity securities	37.00%		
Target investment allocation percentage of fixed income	30.00%		
Target investment allocation percentage of securities partnerships	15.00%		
Target investment allocation percentage of hedge funds	10.00%		
Target investment allocation percentage of real estate	8.00%		
Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	1,360	1,294	
Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	1,207	1,174	
Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	1,098	830	657
Company Subsidiaries [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	3,400		
Buyer Of Retirement Benefits Business [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	300		
Fixed Maturities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	982	903	
Fixed Maturities [Member] | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Fixed Maturities [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	947	891	
Fixed Maturities [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	35	12	
Federal Government and Agency [Member]			

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Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	4	5
Federal Government and Agency [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	0	0
Federal Government and Agency [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	4	5
Federal Government and Agency [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	0	0
Corporate fixed maturities [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	443	339
Corporate fixed maturities [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	0	0
Corporate fixed maturities [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	416	332
Corporate fixed maturities [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	27	7
Other asset and mortgage-backed securities [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	13	10
Other asset and mortgage-backed securities [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	0	0
Other asset and mortgage-backed securities [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	8	8
Other asset and mortgage-backed securities [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	5	2
Fund Investments And Pooled Separate Accounts [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	522 [1]	549 [1]

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Fund Investments And Pooled Separate Accounts [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	0 [1]	0 [1]
Fund Investments And Pooled Separate Accounts [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	519 [1]	546 [1]
Fund Investments And Pooled Separate Accounts [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	3 [1]	3 [1]
Equity securities [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	1,523	1,446
Equity securities [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	1,360	1,294
Equity securities [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	153	138
Equity securities [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	10	14
Domestic [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	1,216	1,168
Domestic [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	1,202	1,153
Domestic [Member] | Fair Value Inputs Level 2 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	4	1
Domestic [Member] | Fair Value Inputs Level 3 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	10	14
International, including funds and pooled seperate accounts [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	307 [1]	278 [1]
International, including funds and pooled seperate accounts [Member] | Fair Value Inputs Level 1 [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets at fair value	158 [1]	141 [1]

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International, including funds and pooled seperate accounts [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	149 [1]	137 [1]	
International, including funds and pooled seperate accounts [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0 [1]	0 [1]	
Real estate and mortgage loans, including pooled separate accounts [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	351 [1]	303 [1]	
Real estate and mortgage loans, including pooled separate accounts [Member] | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0 [1]	0 [1]	
Real estate and mortgage loans, including pooled separate accounts [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0 [1]	0 [1]	
Real estate and mortgage loans, including pooled separate accounts [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	351 [1]	303 [1]	
Securities Partnerships [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	328	314	
Securities Partnerships [Member] | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Securities Partnerships [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Securities Partnerships [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	328	314	347
Hedge Funds [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	327	148	
Hedge Funds [Member] | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Hedge Funds [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			

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Plan assets at fair value	0	0	
Hedge Funds [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	327	148	0
Guaranteed Deposit Account Contract [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	47	39	
Guaranteed Deposit Account Contract [Member] | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Guaranteed Deposit Account Contract [Member] | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Guaranteed Deposit Account Contract [Member] | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	47	39	24
Cash equivalents			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	107	145	
Cash equivalents | Fair Value Inputs Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	0	0	
Cash equivalents | Fair Value Inputs Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	107	145	
Cash equivalents | Fair Value Inputs Level 3 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets at fair value	$ 0	$ 0	

[1] A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

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Segment Information (Details 4) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	$ 27,931	$ 20,657	$ 19,948
Segment Information Text Details [Abstract]			
Income Loss From Continuing Operations Before Income Taxes Foreign Percentage	8.00%	10.00%	9.00%
South Korean Percentage Of International Segment's Revenues	54.00%		
South Korean Percentage Of International Segment's Earnings	90.00%		
United States [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	25,217	18,522	18,326
South Korea [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	1,076	909	717
All Other Foreign [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	1,638	1,226	905
Medical [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	20,973	14,443	14,134
Disability [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	1,413	1,268	1,167
Life Accident And Health [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	3,680	3,117	2,834
Mail Order Pharmacy [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	1,623	1,447	1,420
Other Products [Member]			
Segment Reporting Information [Line Items]			
Premiums and fees, mail order pharmacy revenues and other revenues	$ 242	$ 382	$ 393

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Accounting Policies (Policies)	12 Months Ended Dec. 31, 2012
Accounting Policies [Abstract]	
Deferred Acquisition Costs Policy	***Deferred acquisition costs.*** Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2010-26) on accounting for costs to acquire or renew insurance contracts. This guidance requires certain sales compensation and telemarketing costs related to unsuccessful efforts and any indirect costs to be expensed as incurred. The Company's deferred acquisition costs arise from sales and renewal activities primarily in its Global Supplemental Benefits segment. This amended guidance was implemented through retrospective adjustment of comparative prior periods.
Presentation Of Comprehensive Income [Text Block]	***Presentation of Comprehensive Income.*** Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2011-05) that requires presenting net income and other comprehensive income in either a single continuous statement or in two separate, but consecutive statements. Neither measurement of comprehensive income nor disclosure requirements for reclassification adjustments between other comprehensive income and net income were affected by this amended guidance. The Company has elected to present a separate statement of comprehensive income following the statement of income and has retrospectively adjusted prior periods to conform to the new presentation, as required.
Noncontrolling Interest In Subsidiaries Policy [Text Block]	• **Redeemable Noncontrolling Interest** The redeemable noncontrolling interest comprises the preferred and common stock interests not purchased by the Company in its acquisition of Finans Emeklilik in 2012 (see Note 3A for further information.) This redeemable noncontrolling interest relates to the right of the holder to require the Company to purchase the holder's 49% interest at a redemption value equal to its net assets in Finans Emklilik and the value of its inforce business in 15 years. Cigna also has the right to require the holder to sell its 49% interest to Cigna for the same value in 15 years. The redeemable noncontrolling interest was recorded at fair value on the date of purchase. Subsequently, if the estimated redemption value exceeds the recorded value for the redeemable noncontrolling interest, an adjustment to increase the redeemable noncontrolling interest will be recorded and impact income available to common shareholders.
Earnings Per Share Policy Text Block	• **Earnings Per Share** The Company computes basic earnings per share using the weighted-average number of unrestricted common and deferred shares outstanding. Diluted earnings per share also includes the dilutive effect of outstanding employee stock options and unvested restricted stock granted after 2009 using the treasury stock method and the effect of strategic performance shares.
Variable Interest Entities Policy	***Variable interest entities.*** As of December 31, 2012 and 2011 the Company determined it was not a primary beneficiary in any material variable interest entities.
Fair value policy	***Amendments to Fair Value Measurement and Disclosure.*** Effective January 1, 2012, the Company adopted the FASB's amended guidance on fair value measurement and disclosure (ASU 2011-04) on a prospective basis. A key objective was to achieve common fair value measurement and disclosure requirements between U.S. GAAP and IFRS. The amended guidance changes certain fair value measurement principles and expands required disclosures to include quantitative

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and qualitative information about unobservable inputs in Level 3 measurements and leveling for financial instruments not carried at fair value in the financial statements. Upon adoption, there were no effects on the Company's fair value measurements. See Note 11 for expanded fair value disclosures.

Income Tax Uncertainties Policy [Text Block]	The Company classifies net interest expense on uncertain tax positions and any applicable penalties as a component of income tax expense, but excludes these amounts from the liability for uncertain tax positions. The Company's liability for net interest and penalties was $3 million at December 31, 2012, $2 million at December 31, 2011 and $14 million at December 31, 2010. The 2011 decline included $11 million associated with the completion of the 2007 and 2008 IRS examinations.
Fixed Maturities And Equity Securities Investment Policy [Text Block]	Fixed maturities and equity securities. Most fixed maturities (including bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor) and some equity securities are classified as available for sale and are carried at fair value with changes in fair value recorded in accumulated other comprehensive income (loss) within shareholders’ equity. The Company accounts for fixed maturities with fair value below amortized cost as follows: The Company first assesses its intent to sell or whether it is more likely than not to be required to sell such fixed maturities before their fair values recover. If either of those conditions is met, an impairment loss is recognized in net income for the excess of the amortized cost over fair value. Even when there is no intent or requirement to sell the fixed maturity, if the Company determines that it does not expect to recover the amortized cost basis of fixed maturities the credit portion of the impairment loss is recognized in net income and the non-credit portion, if any, is recognized in accumulated other comprehensive income. The credit portion is the difference between amortized cost and the net present value of its projected future cash flows. Projected future cash flows are based on qualitative and quantitative factors, including the probability of default, and the estimated timing and amount of recovery. For mortgage and asset-backed securities, estimated future cash flows are also based on assumptions about the collateral attributes including prepayment speeds, default rates and changes in value. Fixed maturities and equity securities also include trading and certain hybrid securities that are carried at fair value with changes in fair value reported in realized investment gains and losses. The Company has irrevocably elected the fair value option for these securities to simplify accounting and mitigate volatility in results of operations and financial condition. Hybrid securities include certain preferred stock and debt securities with call or conversion options.
Commercial Mortgage Loans Investment Policy [Text Block]	***Commercial mortgage loans.*** Mortgage loans held by the Company are made exclusively to commercial borrowers at a fixed rate of interest. Commercial mortgage loans are carried at unpaid principal balances or, if impaired, the lower of unpaid principal or fair value of the underlying real estate. If the fair value of the underlying real estate is less than unpaid principal, a valuation reserve is recorded and adjusted each period for changes in fair value. Commercial mortgage loans are considered impaired when it is probable that the Company will not collect amounts due according to the terms of the original loan agreement. The Company monitors credit risk and assesses the impairment of loans individually and on a consistent basis for all loans in the portfolio. The Company estimates the fair value of the underlying real estate using internal valuations generally based on discounted cash flow analyses. Certain commercial mortgage loans without valuation reserves are considered impaired because the Company will not collect all

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interest due according to the terms of the original agreements. However, the Company expects to recover their remaining carrying value primarily because it is less than the fair value of the underlying real estate.

Policy Loans Receivable Policy [Text Block]

Policy loans. Policy loans are carried at unpaid principal balances plus accumulated interest. The loans are collateralized by insurance policy cash values and therefore have no exposure to credit loss.

Real Estate Held For Development And Sale Policy [Text Block]

Real estate. Investment real estate can be “held and used” or “held for sale”. As of December 31, 2012 and 2011, all of the Company's real estate is classified as “held and used”. Such real estate is expected to be held longer than one year and includes real estate acquired through the foreclosure of commercial mortgage loans. The Company carries real estate held and used at depreciated cost less any write-downs to fair value due to impairment and assesses impairment when cash flows indicate that the carrying value may not be recoverable. The Company estimates the fair value of impaired real estate using internal valuations generally based on discounted cash flow analyses. Depreciation is generally calculated using the straight-line method based on the estimated useful life of the particular real estate asset. At the time of foreclosure, properties are reclassified from commercial mortgage loans to real estate or other long-term investments depending on the ownership of the underlying assets.

Other Long Term Investments Policy [Text Block]

Other long-term investments. Other long-term investments include investments in unconsolidated entities. These entities include certain limited partnerships and limited liability companies holding real estate, securities or loans. These investments are carried at cost plus the Company's ownership percentage of reported income or loss in cases where the Company has significant influence, otherwise the investment is carried at cost. Income from certain entities is reported on a one quarter lag depending on when their financial information is received. Also included in other long-term investments are loans to unconsolidated real estate entities secured by the equity interests of these real estate entities, that are carried at unpaid principal balances (mezzanine loans). These other long-term investments are considered impaired, and written down to their fair value, when cash flows indicate that the carrying value may not be recoverable. Fair value is generally determined based on a discounted cash flow analysis.

Additionally, other long-term investments include interest rate and foreign currency swaps carried at fair value. See Note 13 for information on the Company's accounting policies for these derivative financial instruments.

Short Term Investments Policy Textblock

Short-term investments. Investments with maturities of greater than 90 days but less than one year from time of purchase are classified as short-term, available for sale and carried at fair value, which approximates cost.

Net Investment Income Policy [Text Block]

Net investment income. When interest and principal payments on investments are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are delinquent based on contractual terms or when certain terms (interest rate or maturity date) of the investment have been restructured. Net investment income on these investments is only recognized when interest payments are actually received. Interest and dividends on trading and hybrid securities and prepayment penalties on mortgage loans are included in net investment income when they are earned.

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Investment Gains And Losses Policy [Text Block]

Investment gains and losses. Realized investment gains and losses are based on specifically identified assets and result from sales, investment asset write-downs, changes in the fair values of trading and hybrid securities and certain derivatives, changes in valuation reserves and prepayment penalties on fixed maturities.

Unrealized gains and losses on fixed maturities and equity securities carried at fair value (excluding trading and hybrid securities) and certain derivatives are included in accumulated other comprehensive income (loss), net of:

- amounts required to adjust future policy benefits for the run-off settlement annuity business; and
- deferred income taxes.

Cash And Cash Equivalents Policy Text Block

- **Cash and Cash Equivalents**

Cash equivalents consist of short-term investments with maturities of three months or less from the time of purchase that are classified as held to maturity and carried at amortized cost. The Company reclassifies cash overdraft positions to accounts payable, accrued expenses and other liabilities when the legal right of offset does not exist.

Premiums Receivable Allowance For Doubtful Accounts Write Off Of Uncollectible Premiums Policy [Text Block]

- **Premiums, Accounts and Notes Receivable and Reinsurance Recoverables**

Premiums, accounts and notes receivable are reported net of an allowance for doubtful accounts of $51 million as of December 31, 2012 and $45 million as of December 31, 2011. Reinsurance recoverables are estimates of amounts that the Company will receive from reinsurers and are recorded net of an allowance for unrecoverable reinsurance of $4 million as of December 31, 2012 and $5 million as of December 31, 2011. The Company estimates these allowances for doubtful accounts for premiums, accounts and notes receivable, as well as for reinsurance recoverables, using management's best estimate of collectibility, taking into consideration the aging of these amounts, historical collection patterns and other economic factors

Capitalization Of Deferred Policy Acquisition Costs Policy [Text Block]

Deferred Policy Acquisition Costs

Acquisition costs relate to the successful acquisition of new or renewal insurance contracts. Costs eligible for deferral include incremental, direct costs of contract acquisition and other costs directly related to successful contract acquisition. Examples of deferrable costs include commissions, sales compensation and benefits, policy issuance and underwriting costs and premium taxes. The Company records acquisition costs differently depending on the product line. Acquisition costs for:

- ***Universal life products*** are deferred and amortized in proportion to the present value of total estimated gross profits over the expected lives of the contracts.
- ***Supplemental health, life and accident insurance (primarily individual products) and group health and accident insurance products*** are deferred and amortized, generally in proportion to the ratio of periodic revenue to the estimated total revenues over the contract periods.
- ***Other products*** are expensed as incurred.

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Deferred acquisition costs also include an intangible asset that primarily represents the value of business acquired by the Company with the purchase of the supplemental benefits business in 2012. See Note 3 for additional information. There are no deferred policy acquisition costs attributable to the sold individual life insurance and annuity and retirement businesses or the run-off reinsurance and settlement annuity operations.

For universal life and other individual products, management estimates the present value of future revenues less expected payments. For group health and accident insurance products, management estimates the sum of unearned premiums and anticipated net investment income less future expected claims and related costs. If management's estimates of these sums are less than the deferred costs, the Company reduces deferred policy acquisition costs and records an expense. The Company recorded amortization for policy acquisition costs of $218 million in 2012, $259 million in 2011 and $251 million in 2010 in other operating expenses.

Property Plant And Equipment Policy Text Block

- **Property and Equipment**

  Property and equipment is carried at cost less accumulated depreciation. When applicable, cost includes interest, real estate taxes and other costs incurred during construction. Also included in this category is internal-use software that is acquired, developed or modified solely to meet the Company's internal needs, with no plan to market externally. Costs directly related to acquiring, developing or modifying internal-use software are capitalized.

  The Company calculates depreciation and amortization principally using the straight-line method generally based on the estimated useful life of each asset as follows: buildings and improvements, 10 to 40 years; purchased software, one to five years; internally developed software, three to seven years; and furniture and equipment (including computer equipment), three to 10 years. Improvements to leased facilities are depreciated over the remaining lease term or the estimated life of the improvement. The Company considers events and circumstances that would indicate the carrying value of property, equipment or capitalized software might not be recoverable. If the Company determines the carrying value of a long-lived asset is not recoverable, an impairment charge is recorded. See Note 9 for additional information.

Other Assets And Intangible Assets Finite Lived Policy [Text Block]

- **Other Assets, including Other Intangibles**

Other assets consist of various insurance-related assets and the gain position of certain derivatives, primarily guaranteed minimum income benefits ("GMIB") assets. The Company's other intangible assets include purchased customer and producer relationships, provider networks, and trademarks. The Company amortizes other intangibles on an accelerated or straight-line basis over periods from 1 to 30 years. Management revises amortization periods if it believes there has been a change in the length of time that an intangible asset will continue to have value. Costs incurred to renew or extend the terms of these intangible assets are generally expensed as incurred. See Notes 9 and 11 for additional information.

Separate Account Assets And Liabilities Policy [Text Block]

Separate Account Assets and Liabilities

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Separate account assets and liabilities are contractholder funds maintained in accounts with specific investment objectives. The assets of these accounts are legally segregated and are not subject to claims that arise out of any of the Company's other businesses. These separate account assets are carried at fair value with equal amounts for related separate account liabilities. The investment income, gains and losses of these accounts generally accrue to the contractholders and, together with their deposits and withdrawals, are excluded from the Company's Consolidated Statements of Income and Cash Flows. Fees and charges earned for asset management or administrative services and mortality risks are reported in premiums and fees.

Contractholder Deposit Funds Policy [Text Block]

Contractholder Deposit Funds

Liabilities for contractholder deposit funds primarily include deposits received from customers for investment-related and universal life products and investment earnings on their fund balances. These liabilities are adjusted to reflect administrative charges and, for universal life fund balances, mortality charges. In addition, this caption includes premium stabilization reserves that are insurance experience refunds for group contracts that are left with the Company to pay future premiums, deposit administration funds that are used to fund nonpension retiree insurance programs, retained asset accounts and annuities or supplementary contracts without significant life contingencies. Interest credited on these funds is accrued ratably over the contract period.

Liability Reserve Estimate Policy [Text Block]

-
- **Future Policy Benefits**

Future policy benefits are liabilities for the present value of estimated future obligations under long-term life and supplemental health insurance policies and annuity products currently in force. These obligations are estimated using actuarial methods and primarily consist of reserves for annuity contracts, life insurance benefits, guaranteed minimum death benefit (“GMDB”) contracts (see Note 7 for additional information) and certain health, life, and accident insurance products in our Global Supplemental Benefits segment.

Obligations for annuities represent specified periodic benefits to be paid to an individual or groups of individuals over their remaining lives. Obligations for life insurance policies represent benefits to be paid to policyholders, net of future premiums to be received. Management estimates these obligations based on assumptions as to premiums, interest rates, mortality and surrenders, allowing for adverse deviation. Mortality, morbidity, and surrender assumptions are based on either the Company's own experience or actuarial tables. Interest rate assumptions are based on management's judgment considering the Company's experience and future expectations, and range from 1% to 10%. Obligations for the run-off settlement annuity business include adjustments for investment returns consistent with requirements of GAAP when a premium deficiency exists.

Certain reinsurance contracts contain GMDB under variable annuities issued by other insurance companies. These obligations represent the guaranteed death benefit in excess of the contractholder's account values (based on underlying equity and bond mutual fund investments). These obligations are estimated based on assumptions regarding lapse, partial surrenders, mortality, interest rates (mean investment performance and discount rate), market volatility as well as investment returns and premiums, consistent with the requirements of GAAP when a premium deficiency exists. Lapse, partial surrenders, mortality, interest rates and volatility are

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based on management's judgment considering the Company's experience and future expectations. The results of futures and swap contracts used in the GMDB equity and growth interest rate hedge programs are reflected in the liability calculation as a component of investment returns. See also Note 7 for additional information.

Unpaid Policy Claims And Claims Adjustment Expense Policy [Text Block]

- **Unpaid Claims and Claims Expenses**

Liabilities for unpaid claims and claim expenses are estimates of payments to be made under insurance coverages (primarily long-term disability, workers' compensation and life and health) for reported claims and for losses incurred but not yet reported.

The Company develops these estimates for losses incurred but not yet reported using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size, subrogation recoveries and the length of time over which payments are expected to be made. The Company consistently applies these actuarial principles and assumptions each reporting period, with consideration given to the variability of these factors, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, that require the liabilities to be adequate under moderately adverse conditions.

The Company's estimate of the liability for disability claims reported but not yet paid is primarily calculated as the present value of expected benefit payments to be made over the estimated time period that a policyholder remains disabled. The Company estimates the expected time period that a policyholder may be disabled by analyzing the rate at which an open claim is expected to close (claim resolution rate). Claim resolution rates may vary based upon the length of time a policyholder is disabled, the covered benefit period, cause of disability, benefit design and the policyholder's age, gender and income level. The Company uses historical resolution rates combined with an analysis of current trends and operational factors to develop current estimates of resolution rates. The reserve for the gross monthly disability benefits due to a policyholder is reduced (offset) by the income that the policyholder receives under other benefit programs, such as Social Security Disability Income, workers' compensation, statutory disability or other group disability benefit plans. For awards of such offsets that have not been finalized, the Company estimates the probability and amount of the offset based on the Company's experience over the past three to five years.

The Company discounts certain claim liabilities related to group long-term disability and workers' compensation because benefit payments may be made over extended periods. Discount rate assumptions are based on projected investment returns for the asset portfolios that support these liabilities and range from 1.83% to 6.25%. When estimates change, the Company records the adjustment in benefits and expenses in the period in which the change in estimate is identified. Discounted liabilities associated with the long-term disability and certain workers' compensation businesses were $3.2 billion at December 31, 2012 and December 31, 2011.

Health Care Medical Claims Payable Policy [Text Block]

Global Health Care Medical Claims Payable

Medical claims payable for the Global Health Care segment include both reported claims and estimates for losses incurred but not yet reported including amounts owed for services from providers and under risk-sharing and quality management arrangements with providers. The Company develops estimates for Global Health Care medical claims payable using actuarial

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principles and assumptions consistently applied each reporting period, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, which require that the liabilities be adequate under moderately adverse conditions.

The liability is primarily calculated using “completion factors” (a measure of the time to process claims), which are developed by comparing the date claims were incurred, generally the date services were provided, to the date claims were paid. The Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors. The Company estimates the liability for claims incurred in each month by applying the current estimates of completion factors to the current paid claims data. This approach implicitly assumes that historical completion rates will be a useful indicator for the current period. It is possible that the actual completion rates for the current period will develop differently from historical patterns, which could have a material impact on the Company's medical claims payable and shareholders' net income.

Completion factors are impacted by several key items including changes in: 1) electronic (auto-adjudication) versus manual claim processing, 2) provider claims submission rates, 3) membership and 4) the mix of products. As noted, the Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors.

In addition, for the more recent months, the Company also relies on medical cost trend analysis, which reflects expected claim payment patterns and other relevant operational considerations. Medical cost trend is primarily impacted by medical service utilization and unit costs, which are affected by changes in the level and mix of medical benefits offered, including inpatient, outpatient and pharmacy, the impact of copays and deductibles, changes in provider practices and changes in consumer demographics and consumption behavior.

Despite reflecting both historical and emerging trends in setting reserves, it is possible that the actual medical trend for the current period will develop differently from expectations, which could have a material impact on the Company's medical claims payable and shareholders' net income.

For each reporting period, the Company evaluates key assumptions by comparing the assumptions used in establishing the medical claims payable to actual experience. When actual experience differs from the assumptions used in establishing the liability, medical claims payable are increased or decreased through current period shareholders' net income. Additionally, the Company evaluates expected future developments and emerging trends which may impact key assumptions. The estimation process involves considerable judgment, reflecting the variability inherent in forecasting future claim payments. These estimates are highly sensitive to changes in the Company's key assumptions, specifically completion factors, and medical cost trends.

Revenue Recognition Premiums Earned Policy [Text Block]

- **Premiums and Fees, Revenues and Related Expenses**

Premiums for group life, accident and health insurance and managed care coverages are recognized as revenue on a pro rata basis over the contract period. Benefits and expenses are recognized when incurred. Premiums and fees include revenue from experience-rated contracts that is based on the estimated ultimate claim, and in some cases, administrative cost experience of

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the contract. For these contracts, premium revenue includes an adjustment for experience-rated refunds which is calculated according to contract terms and using the customer's experience (including estimates of incurred but not reported claims). Beginning in 2011, premium revenue also includes an adjustment to reflect the estimated effect of rebates due to customers under the minimum medical loss ratio provisions of Health Care Reform.

Premiums for individual life, accident and supplemental health insurance and annuity products, excluding universal life and investment-related products, are recognized as revenue when due. Benefits and expenses are matched with premiums.

Premiums and fees received for the Company's Medicare Advantage Plans and Medicare Part D products from customers and the Centers for Medicare and Medicaid Services (CMS) are recognized as revenue ratably over the contract period. CMS provides risk adjusted premium payments for the Medicare Advantage Plans and Medicare Part D products, based on the demographics and health severity of enrollees. The Company recognizes periodic changes to risk adjusted premiums as revenue when the amounts are determinable and collection is reasonably assured. Additionally, Medicare Part D includes payments from CMS for risk sharing adjustments. The risk sharing adjustments, that are estimated quarterly based on claim experience, compare actual incurred drug benefit costs to estimated costs submitted in original contracts and may result in more or less revenue from CMS. Final revenue adjustments are determined through an annual settlement with CMS that occurs after the contract year.

Revenue for investment-related products is recognized as follows:

- Net investment income on assets supporting investment-related products is recognized as earned.
- Contract fees, that are based upon related administrative expenses, are recognized in premiums and fees as they are earned ratably over the contract period.

Benefits and expenses for investment-related products consist primarily of income credited to policyholders in accordance with contract provisions.

Revenue for universal life products is recognized as follows:

- Net investment income on assets supporting universal life products is recognized as earned.
- Fees for mortality and surrender charges are recognized as assessed, that is as earned.
- Administration fees are recognized as services are provided.

Benefits and expenses for universal life products consist of benefit claims in excess of policyholder account balances. Expenses are recognized when claims are submitted, and income is credited to policyholders in accordance with contract provisions.

Contract fees and expenses for administrative services only programs and pharmacy programs and services are recognized as services are provided net of estimated refunds under performance guarantees. In some cases, the Company provides performance guarantees associated with meeting certain service standards, clinical outcomes or financial metrics. If these service standards, clinical outcomes or financial metrics are not met, the Company may be financially at

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risk up to a stated percentage of the contracted fee or a stated dollar amount. The Company establishes deferred revenues for estimated payouts associated with these performance guarantees. Approximately 16% of ASO fees reported for the year ended December 31, 2012 were at risk, with reimbursements estimated to be approximately 1%.

Mail order pharmacy revenues and cost of goods sold are recognized as each prescription is shipped.

- **Unearned Premiums and Fees**

  Premiums for life, accident and health insurance are recognized as revenue on a pro rata basis over the contract period. Fees for mortality and contract administration of universal life products are recognized ratably over the coverage period. The unrecognized portion of these amounts received is recorded as unearned premiums and fees.

Accounts Payable Accrued Expenses Other Liabilities Policy [Text Block]

- **Accounts Payable, Accrued Expenses and Other Liabilities**

  Accounts payable, accrued expenses and other liabilities consist principally of liabilities for pension, other postretirement and postemployment benefits (see Note 10), the loss position of certain derivatives, primarily for GMIB contracts (see Note 13), self-insured exposures, management compensation and various insurance-related items, including experience rated refunds, the minimum medical loss ratio rebate accrual under Health Care Reform, amounts related to reinsurance contracts and insurance-related assessments that management can reasonably estimate. Accounts payable, accrued expenses and other liabilities also include certain overdraft positions. Legal costs to defend the Company's litigation and arbitration matters are expensed when incurred in cases that the Company cannot reasonably estimate the ultimate cost to defend. In cases that the Company can reasonably estimate the cost to defend, these costs are recognized when the claim is reported.

Foreign Currency Transactions And Translations Policy Text Block

- **Translation of Foreign Currencies**

  The Company generally conducts its international business through foreign operating entities that maintain assets and liabilities in local currencies, which are generally their functional currencies. The Company uses exchange rates as of the balance sheet date to translate assets and liabilities into U.S. dollars. Translation gains or losses on functional currencies, net of applicable taxes, are recorded in accumulated other comprehensive income (loss). The Company uses average monthly exchange rates during the year to translate revenues and expenses into U.S. dollars.

Share Based Compensation Option And Incentive Plans Policy [Text Block]

- **Stock Compensation**

The Company records compensation expense for stock awards and options over their vesting periods primarily based on the estimated fair value at the grant date. Compensation expense is recorded for stock options over their vesting period based on fair value at the grant date which is

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calculated using an option-pricing model. Compensation expense is recorded for restricted stock grants and units over their vesting periods based on fair value, which is equal to the market price of the Company's common stock on the date of grant. Compensation expense for strategic performance shares is recorded over the performance period. For strategic performance shares with payment dependent on market condition, fair value is determined at the grant date using a Monte Carlo simulation model and not subsequently adjusted regardless of the final outcome. For strategic performance shares with payment dependent on performance conditions, expense is initially accrued based on the most likely outcome, but evaluated for adjustment each period for updates in the expected outcome. At the end of the performance period, expense is adjusted to the actual outcome (number of shares awarded times the share price at the grant date).

Policyholders Dividend Policy [Text Block]

- **Participating Business**

The Company's participating life insurance policies entitle policyholders to earn dividends that represent a portion of the earnings of the Company's life insurance subsidiaries. Participating insurance accounted for approximately 1% of the Company's total life insurance in force at the end of 2012, 2011 and 2010.

Income Tax Policy Text Block

- **Income Taxes**

The Company and its domestic subsidiaries file a consolidated United States federal income tax return. The Company's foreign subsidiaries file tax returns in accordance with foreign law. U.S. taxation of these foreign subsidiaries may differ in timing and amount from taxation under foreign laws. Reportable U.S. taxable income for these subsidiaries is reflected in the U.S. tax return of the affiliates' domestic parent.

The Company recognizes deferred income taxes when the financial statement and tax-based carrying values of assets and liabilities are different. In addition, deferred income tax liabilities are recognized on the unremitted earnings of foreign subsidiaries that are not permanently invested overseas. For subsidiaries whose earnings are considered permanently invested overseas, income taxes are accrued at the local foreign tax rate. The Company establishes valuation allowances against deferred tax assets if it is determined more likely than not that the deferred tax asset will not be realized. The need for a valuation allowance is determined based on the evaluation of various factors, including expectations of future earnings and management's judgment. Note 20 contains detailed information about the Company's income taxes.

The Company recognizes interim period income taxes by determining an estimated annual effective tax rate and applying that rate to year-to-date pretax results. The estimated annual effective tax rate is updated periodically based on revised projections of full year income. Although the effective tax rate approach is generally used for interim periods, taxes on significant, unusual and infrequent items are recognized at the statutory tax rate entirely in the period the amounts are realized.

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Credit Quality Policy [Text Block]	***Credit quality.*** The Company applies a consistent and disciplined approach to evaluating and monitoring credit risk, beginning with the initial underwriting of a mortgage loan and continuing throughout the investment holding period. Mortgage origination professionals employ an internal rating system developed from the Company's experience in real estate investing and mortgage lending. A quality rating, designed to evaluate the relative risk of the transaction, is assigned at each loan's origination and is updated each year as part of the annual portfolio loan review. The Company monitors credit quality on an ongoing basis, classifying each loan as a loan in good standing, potential problem loan or problem loan. Quality ratings are based on internal evaluations of each loan's specific characteristics considering a number of key inputs, including real estate market-related factors such as rental rates and vacancies, and property-specific inputs such as growth rate assumptions and lease rollover statistics. However, the two most significant contributors to the credit quality rating are the debt service coverage and loan-to-value ratios. The debt service coverage ratio measures the amount of property cash flow available to meet annual interest and principal payments on debt. A debt service coverage ratio below 1.0 indicates that there is not enough cash flow to cover the loan payments. The loan-to-value ratio, commonly expressed as a percentage, compares the amount of the loan to the fair value of the underlying property collateralizing the loan.
Loans and Leases Receivable, Troubled Debt Restructuring Policy [Policy Text Block]	***Troubled debt restructurings***. Effective July 1, 2011, the Company adopted the FASB's updated guidance (ASU 2011-02) to clarify for lenders that a troubled debt restructuring occurs when a debt modification is a concession to the borrower and the borrower is experiencing financial difficulties. This guidance was required to be applied retrospectively for restructurings occurring on or after January 1, 2011. The amendment also required new disclosures to be provided beginning in the third quarter of 2011 addressing certain troubled debt restructurings. Adoption of the new guidance did not have a material effect to the Company's results of operations or financial condition. See Note 12 for additional information related to commercial mortgage loans.
Derivative Financial Instruments Policies [Abstract]	
General Derivative Policy	***Derivative financial instruments.*** The Company applies hedge accounting when derivatives are designated, qualify and are highly effective as hedges. Effectiveness is formally assessed and documented at inception and each period throughout the life of a hedge using various quantitative methods appropriate for each hedge, including regression analysis and dollar offset. Under hedge accounting, the changes in fair value of the derivative and the hedged risk are generally recognized together and offset each other when reported in shareholders' net income. The Company accounts for derivative instruments as follows: • Derivatives are reported on the balance sheet at fair value with changes in fair values reported in shareholders' net income or accumulated other comprehensive income. • Changes in the fair value of derivatives that hedge market risk related to future cash flows and that qualify for hedge accounting are reported in a separate caption in accumulated other comprehensive income. These hedges are referred to as cash flow hedges.

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- A change in the fair value of a derivative instrument may not always equal the change in the fair value of the hedged item; this difference is referred to as hedge ineffectiveness. Where hedge accounting is used, the Company reflects hedge ineffectiveness in shareholders' net income (generally as part of realized investment gains and losses).
- On early termination, the changes in fair value of derivatives that qualified for hedge accounting are reported in shareholders' net income (generally as part of realized investment gains and losses).

Designated as accounting hedges - interest rate, FX and combinations policy

Accounting policy. Using cash flow hedge accounting, fair values are reported in other long-term investments or other liabilities and accumulated other comprehensive income and amortized into net investment income or reported in other realized investment gains and losses as interest or principal payments are received.

Not designated as accounting hedges - GMDB and GMIB policy

Accounting policy. These hedge programs are not designated as accounting hedges. Although these hedge programs effectively reduce equity market, foreign currency, and interest rate exposures, changes in the fair values of these futures and swap contracts may not exactly offset changes in the portions of the GMDB and GMIB liabilities covered by these hedges, in part because the market does not offer contracts that exactly match the targeted exposure profile. Changes in fair value of these futures contracts, as well as interest income and interest expense relating to the swap contracts are reported in other revenues. The fair values of the interest rate swaps are reported in other assets and other liabilities. Amounts reflecting corresponding changes in liabilities for GMDB contracts are included in benefits and expenses.

Not designated as accounting hedges - GMIB written and purchased options policy

Accounting policy. The Company accounts for these GMIB liabilities and assets as written and purchased options at fair value because cash flows are affected by equity markets and interest rates, but are without significant life insurance risk and are settled in lump sum payments. These derivatives are not designated as hedges and their fair values are reported in other liabilities (GMIB liability) and other assets (GMIB asset), with changes in fair value reported in GMIB fair value (gain) loss.

Fair Value Measurements Policies [Abstract]

First section of Fair Value footnote

Note 11 — Fair Value Measurements

The Company carries certain financial instruments at fair value in the financial statements including fixed maturities, equity securities, short-term investments and derivatives. Other financial instruments are measured at fair value under certain conditions, such as when impaired.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

The Company's financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by GAAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with

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unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level of input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

The Company is responsible for determining fair value, as well as the appropriate level within the fair value hierarchy, based on the significance of unobservable inputs. The Company reviews methodologies and processes of third-party pricing services and compares prices on a test basis to those obtained from other external pricing sources or internal estimates. The Company performs ongoing analyses of both prices received from third-party pricing services and those developed internally to determine that they represent appropriate estimates of fair value. These analyses include reviewing to ensure that prices do not become stale and whether changes from prior valuations are reasonable or require additional review. The Company also performs sample testing of sales values to confirm the accuracy of prior fair value estimates. Exceptions identified during these processes indicate that adjustments to prices are infrequent and do not significantly impact valuations.

Financial Assets and Financial Liabilities Carried at Fair Value

The following tables provide information as of December 31, 2012 and December 31, 2011 about the Company's financial assets and liabilities carried at fair value. Similar disclosures for separate account assets, that are also recorded at fair value on the Company's Consolidated Balance Sheets, are provided separately as gains and losses related to these assets generally accrue directly to policyholders. In addition, Note 10 contains similar disclosures for the Company's pension plan assets.

Review of declines in fair value. Management reviews fixed maturities with a decline in fair value from cost for impairment based on criteria that include:

- length of time and severity of decline;
- financial health and specific near term prospects of the issuer;
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and
- the Company's intent to sell or the likelihood of a required sale prior to recovery.

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Level 1 financial assets policy

Level 1 Financial Assets

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.

Assets in Level 1 include actively-traded U.S. government bonds and exchange-listed equity securities. Given the narrow definition of Level 1 and the Company's investment asset strategy to maximize investment returns, a relatively small portion of the Company's investment assets are classified in this category.

Separate Accounts Level 1 Financial Asset Policy [Text Block]

Separate account assets in Level 1 include exchange-listed equity securities.

Level 2 financial assets and financial liabilities policy

Level 2 Financial Assets and Financial Liabilities

Inputs for instruments classified in Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant.

Fixed maturities and equity securities. Approximately 91% of the Company's investments in fixed maturities and equity securities are classified in Level 2 including most public and private corporate debt and equity securities, federal agency and municipal bonds, non-government mortgage-backed securities and preferred stocks. Because many fixed maturities do not trade daily, third-party pricing services and internal methods often use recent trades of securities with similar features and characteristics. When recent trades are not available, pricing models are used to determine these prices. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset. Typical inputs and assumptions to pricing models include, but are not limited to, a combination of benchmark yields, reported trades, issuer spreads, liquidity, benchmark securities, bids, offers, reference data, and industry and economic events. For mortgage-backed securities, inputs and assumptions may also include characteristics of the issuer, collateral attributes, prepayment speeds and credit rating.

Nearly all of these instruments are valued using recent trades or pricing models. Less than 1% of the fair value of investments classified in Level 2 represents foreign bonds that are valued, consistent with local market practice, using a single unadjusted market-observable input derived by averaging multiple broker-dealer quotes.

Short-term investments are carried at fair value, that approximates cost. On a regular basis the Company compares market prices for these securities to recorded amounts to validate that current carrying amounts approximate exit prices. The short-term nature of the investments and

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corroboration of the reported amounts over the holding period support their classification in Level 2.

Other derivatives classified in Level 2 represent over-the-counter instruments such as interest rate and foreign currency swap contracts. Fair values for these instruments are determined using market observable inputs including forward currency and interest rate curves and widely published market observable indices. Credit risk related to the counterparty and the Company is considered when estimating the fair values of these derivatives. However, the Company is largely protected by collateral arrangements with counterparties, and determined that no adjustment for credit risk was required as of December 31, 2012 or December 31, 2011. The nature and use of these other derivatives are described in Note 13.

Separate Accounts Level 2 Financial Asset Policy [Text Block]

Level 2 assets primarily include:

- corporate and structured bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates as described above; and
- actively-traded institutional and retail mutual fund investments and separate accounts priced using the daily net asset value that is the exit price.

Level 3 financial assets and financial liabilities policy

Level 3 Financial Assets and Financial Liabilities

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and are significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Company classifies certain newly-issued, privately-placed, complex or illiquid securities, as well as assets and liabilities relating to GMIB, in Level 3.

Fixed maturities and equity securities. Approximately 8% of fixed maturities and equity securities are priced using significant unobservable inputs and classified in this category,

Fair values of other asset and mortgage-backed securities, corporate and government fixed maturities are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. For other asset and mortgage-backed securities, inputs and assumptions to pricing may also include collateral attributes and prepayment speeds. Recent trades in the subject security or similar securities are assessed when available, and the Company may also review published research, as well as the issuer's financial statements, in its evaluation. Approximately 10% of fixed maturities classified in level 3 represent single, unadjusted, non-binding broker quotes that are not considered market observable. Certain subordinated corporate fixed maturities and private equity investments, representing approximately 10% of securities included in level 3, are valued at transaction price in the absence of market data indicating a change in the estimated fair values.

Quantitative Information about Unobservable Inputs

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The following table summarizes the fair value and significant unobservable inputs used in pricing Level 3 securities that were developed directly by the Company as of December 31, 2012. The range and weighted average basis point amounts reflect the Company's best estimates of the unobservable adjustments a market participant would make to the market observable spreads (adjustment to discount rates) used to calculate the fair values in a discounted cash flow analysis.

*Other asset and mortgage-backed securities***.** The significant unobservable inputs used to value the following other asset and mortgage-backed securities are liquidity and weighting of credit spreads. An adjustment for liquidity is made as of the measurement date when there is limited trading activity for the security that considers current market conditions, issuer circumstances and complexity of the security structure. An adjustment to weight credit spreads is needed to value a more complex bond structure with multiple underlying collateral with no standard market valuation technique. The weighting of credit spreads is primarily based on the underlying collateral's characteristics and their proportional cash flows supporting the bond obligations. The resulting wide range of unobservable adjustments in the table below is due to the varying liquidity and quality of the underlying collateral, ranging from high credit quality to below investment grade.

*Corporate and government fixed maturities***.** The significant unobservable input used to value the following corporate and government fixed maturities is an adjustment for liquidity. When there is limited trading activity for the security, an adjustment is needed to reflect current market conditions and issuer circumstances.

Significant increases in any of these inputs would result in a lower fair value measurement while decreases in these inputs would result in a higher fair value measurement. Generally, the unobservable inputs are not interrelated and a change in the assumption used for one unobservable input is not accompanied by a change in the other unobservable input. The table does not include all of the Level 3 securities because information about specific unobservable inputs used in pricing all of these securities was not reasonably available to the Company. See preceding discussion regarding the Company's valuation processes and controls.

In the tables above, gains and losses included in other comprehensive income are reflected in Net unrealized appreciation (depreciation) on securities in the Consolidated Statements of Other Comprehensive Income.

Reclassifications impacting Level 3 financial instruments are reported as transfers into or out of the Level 3 category as of the beginning of the quarter in which the transfer occurs. Therefore gains and losses in income only reflect activity for the quarters the instrument was classified in Level 3.

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Transfers into or out of the Level 3 category occur when unobservable inputs, such as the Company's best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. For the years ended December 31, 2012 and 2011, transfer activity between Level 3 and Level 2 primarily reflects changes in the level of unobservable inputs used to value certain public and private corporate bonds, principally related to liquidity of the securities and credit risk of the issuers.

Because GMIB reinsurance arrangements remain in effect at the reporting date, the Company has reflected the total gain or loss for the period as the total gain or loss included in income attributable to instruments still held at the reporting date. However, the Company reduces the GMIB assets and liabilities resulting from these reinsurance arrangements when annuitants lapse, die, elect their benefit, or reach the age after which the right to elect their benefit expires.

Under FASB's guidance for fair value measurements, the Company's GMIB assets and liabilities are expected to be volatile in future periods because the underlying capital markets assumptions will be based largely on market observable inputs at the close of each reporting period including interest rates and market implied volatilities.

Separate Accounts Level 3 Financial Asset Policy [Text Block]

Separate account assets classified in Level 3 include investments primarily in securities partnerships, real estate and hedge funds generally valued based on the separate account's ownership share of the equity of the investee including changes in the fair values of its underlying investments.

Measurement of GMIB assets and liabilities policy

Guaranteed minimum income benefit contracts. The Company reports liabilities and assets as derivatives at fair value because the cash flows of these contracts are affected by equity markets and interest rates but are without significant life insurance risk and are settled in lump sum payments. The Company estimates the fair value of the assets and liabilities for GMIB contracts using assumptions regarding capital markets (including market returns, interest rates and market volatilities of the underlying equity and bond mutual fund investments), future annuitant behavior (including mortality, lapse, and annuity election rates), and non-performance risk, as well as risk and profit charges. As certain assumptions used to estimate fair values for these contracts are largely unobservable, the Company classifies GMIB assets and liabilities in Level 3. The Company considered the following in determining the view of a hypothetical market participant:

- that the most likely transfer of these assets and liabilities would be through a reinsurance transaction with an independent insurer; and
- that because this block of contracts is in run-off mode, an insurer looking to acquire these contracts would have similar existing contracts with related administrative and risk management capabilities

These GMIB assets and liabilities are calculated with a complex internal model using many scenarios to determine the fair value of net amounts estimated to be paid, less the fair value of net future premiums estimated to be received, adjusted for risk and profit charges that the Company anticipates a hypothetical market participant would require to assume this business. Net amounts estimated to be paid represent the excess of the anticipated value of the income benefits over the values of the annuitants' accounts at the time of annuitization. Assumptions related to future annuitant behavior reflect the Company's belief that a hypothetical market participant would consider the actual and expected experience of the Company as well as other relevant and

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available industry resources in setting policyholder behavior assumptions. The significant assumptions used to value the GMIB assets and liabilities as of December 31, 2012 were as follows:

Assumptions based on observable inputs*:*

- The market return and discount rate assumptions are based on the market-observable LIBOR swap curve.
- The projected interest rate used to calculate the reinsured income benefits is indexed to the 7-year Treasury Rate at the time of annuitization (claim interest rate) based on contractual terms. That rate was 1.18% at December 31, 2012 and must be projected for future time periods. These projected rates vary by economic scenario and are determined by an interest rate model using current interest rate curves and the prices of instruments available in the market including various interest rate caps and zero-coupon bonds. For a subset of the business, there is a contractually guaranteed floor of 3% for the claim interest rate.

- The market volatility assumptions for annuitants' underlying mutual fund investments that are modeled based on the S&P 500, Russell 2000 and NASDAQ Composite are based on the market-implied volatility for these indices for three to seven years grading to historical volatility levels thereafter. For the remaining 50% of underlying mutual fund investments modeled using other indices (with insufficient market-observable data), volatility is based on the average historical level for each index over the past 10 years. Using this approach, volatility ranges from 18% to 28% for equity funds, 6% to 8% for bond funds, and 0% to 1% for money market funds.

Assumptions based on unobservable inputs:

- The mortality assumption is 70% of the 1994 Group Annuity Mortality table, with 1% annual improvement beginning January 1, 2000.
- The annual lapse rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts, ranges from 0% to 12% at December 31, 2012, and depends on the time since contract issue and the relative value of the guarantee. The weighted average annual lapse rate is 1.8%.
- The annual annuity election rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts and depends on the annuitant's age, the relative value of the guarantee and whether a contractholder has had a previous opportunity to elect the benefit. Immediately after the expiration of the waiting period, the assumed probability that an individual will annuitize their variable annuity contract is up to 80%. For the second and subsequent annual opportunities to elect the benefit, the assumed probability of election is up to 20%. The weighted average annual annuity election rate is 9%.
    - The nonperformance risk adjustment is incorporated by adding spread to the discount rate in the calculation of both (1) the GMIB liability to reflect a hypothetical market participant's view of the risk of the Company not fulfilling its GMIB obligations, and (2) the GMIB asset to reflect a hypothetical market participant's view of the reinsurers' credit risk, after considering collateral. The estimated market-implied spread is company-specific for each party involved to the extent that company-specific market data is available and is based on industry averages for similarly-rated companies when company-specific data is not available.

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The spread is impacted by the credit default swap spreads of the specific parent companies, adjusted to reflect subsidiaries' credit ratings relative to their parent company and any available collateral. The additional spread over LIBOR incorporated into the discount rate ranged from 5 to 140 basis points for the GMIB liability with a weighted average of 55 basis points and ranged from 15 to 100 basis points for the GMIB reinsurance asset with a weighted average of 65 basis points for that portion of the interest rate curve most relevant to these policies.

- The risk and profit charge assumption is based on the Company's estimate of the capital and return on capital that would be required by a hypothetical market participant. The assumed return on capital is 10% after-tax.

The Company regularly evaluates each of the assumptions used in establishing these assets and liabilities by considering how a hypothetical market participant would set assumptions at each valuation date. Capital markets assumptions are expected to change at each valuation date reflecting currently observable market conditions. Other assumptions may also change based on a hypothetical market participant's view of actual experience as it emerges over time or other factors that impact the net liability. The significant unobservable inputs used in the fair value measurement of the GMIB assets and liabilities are lapse rates, annuity election rates, and spreads used to calculate nonperformance risk. Significant decreases in assumed lapse rates or spreads used to calculate nonperformance risk, or increases in assumed annuity election rates would result in higher fair value measurements. Generally, a change in one of these assumptions is not necessarily accompanied by a change in another assumption.
GMIB liabilities are reported in the Company's Consolidated Balance Sheets in Accounts payable, accrued expenses and other liabilities. GMIB assets associated with these contracts represent net receivables in connection with reinsurance that the Company has purchased from two external reinsurers and are reported in the Company's Consolidated Balance Sheets in Other assets, including other intangibles.

Assets and liabilities measured at fair value under certain conditions policy

Assets and Liabilities Measured at Fair Value under Certain Conditions

Some financial assets and liabilities are not carried at fair value each reporting period, but may be measured using fair value only under certain conditions, such as investments in real estate entities and commercial mortgage loans when they become impaired. During 2012, impaired commercial mortgage loans representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $7 million after-tax.

During 2011, impaired commercial mortgage loans and real estate entities representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $15 million after-tax.

Commercial mortgage loans policy

Commercial mortgage loans. The Company estimates the fair value of commercial mortgage loans generally by discounting the contractual cash flows at estimated market interest rates that reflect the Company's assessment of the credit quality of the loans. Market interest rates are derived by calculating the appropriate spread over comparable U.S. Treasury rates, based on the property type, quality rating and average life of the loan. The quality ratings reflect the relative risk of the loan, considering debt service coverage, the loan-to-value ratio and other factors. Fair values of impaired mortgage loans are based on the estimated fair value of the underlying collateral generally determined using an internal discounted cash flow model. The fair value

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measurements were classified in Level 3 because the cash flow models incorporate significant unobservable inputs.

The Company's annual in-depth review of its commercial mortgage loan investments is the primary mechanism for identifying emerging risks in the portfolio. The most recent review was completed by the Company's investment professionals in the second quarter of 2012 and included an analysis of each underlying property's most recent annual financial statements, rent rolls, operating plans, budgets, a physical inspection of the property and other pertinent factors. Based on historical results, current leases, lease expirations and rental conditions in each market, the Company estimates the current year and future stabilized property income and fair value, and categorizes the investments as loans in good standing, potential problem loans or problem loans. Based on property valuations and cash flows estimated as part of this review, and considering updates for loans where material changes were subsequently identified, the portfolio's average loan-to-value ratio improved to 65% at December 31, 2012, decreasing from 70% as of December 31, 2011. The portfolio's average debt service coverage ratio was estimated to be 1.56 at December 31, 2012, a significant improvement from 1.40 at December 31, 2011.
Quality ratings are adjusted between annual reviews if new property information is received or events such as delinquency or a borrower's request for restructure cause management to believe that the Company's estimate of financial performance, fair value or the risk profile of the underlying property has been impacted.

Potential problem mortgage loans are considered current (no payment more than 59 days past due), but exhibit certain characteristics that increase the likelihood of future default. The characteristics management considers include, but are not limited to, the deterioration of debt service coverage below 1.0, estimated loan-to-value ratios increasing to 100% or more, downgrade in quality rating and request from the borrower for restructuring. In addition, loans are considered potential problems if principal or interest payments are past due by more than 30 but less than 60 days. Problem mortgage loans are either in default by 60 days or more or have been restructured as to terms, which could include concessions on interest rate, principal payment or maturity date. The Company monitors each problem and potential problem mortgage loan on an ongoing basis, and updates the loan categorization and quality rating when warranted.

Contractholder deposit funds, excluding universal life products policy

Contractholder deposit funds, excluding universal life products. Generally, these funds do not have stated maturities. Approximately 55% of these balances can be withdrawn by the customer at any time without prior notice or penalty. The fair value for these contracts is the amount estimated to be payable to the customer as of the reporting date, which is generally the carrying value. Most of the remaining contractholder deposit funds are reinsured by the buyers of the individual life and annuity and retirement benefits businesses. The fair value for these contracts is determined using the fair value of these buyers' assets supporting these reinsured contracts. The Company had a reinsurance recoverable equal to the carrying value of these reinsured contracts. These instruments were classified in Level 3 because certain inputs are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement.

Long-term debt, including current maturities, excluding capital leases policy

Long-term debt, including current maturities, excluding capital leases. The fair value of long-term debt is based on quoted market prices for recent trades. When quoted market prices are not available, fair value is estimated using a discounted cash flow analysis and the Company's estimated current borrowing rate for debt of similar terms and remaining maturities. These

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measurements were classified in Level 2 because the fair values are based on quoted market prices or other inputs that are market observable or can be corroborated by market data.

Variable Interest Entities Policies [Abstract]

Variable Interest Entities general policy

When the Company becomes involved with a variable interest entity and when the nature of the Company's involvement with the entity changes, in order to determine if the Company is the primary beneficiary and must consolidate the entity, it evaluates:

- the structure and purpose of the entity;
- the risks and rewards created by and shared through the entity; and
- the entity's participants' ability to direct its activities, receive its benefits and absorb its losses. Participants include the entity's sponsors, equity holders, guarantors, creditors and servicers.

In the normal course of its investing activities, the Company makes passive investments in securities that are issued by variable interest entities for which the Company is not the sponsor or manager. These investments are predominantly asset-backed securities primarily collateralized by foreign bank obligations or mortgage-backed securities. The asset-backed securities largely represent fixed-rate debt securities issued by trusts that hold perpetual floating-rate subordinated notes issued by foreign banks. The mortgage-backed securities represent senior interests in pools of commercial or residential mortgages created and held by special-purpose entities to provide investors with diversified exposure to these assets. The Company owns senior securities issued by several entities and receives fixed-rate cash flows from the underlying assets in the pools.

In order to provide certain services to its Medicare Advantage customers, the Company contracts with independent physician associations (IPAs) that are variable interest entities. Physicians provide health care services to the Medicare Advantage customers and the Company provides medical management and administrative services to the IPAs.

The Company is not the primary beneficiary and does not consolidate these entities because either:

- it had no power to direct the activities that most significantly impact the entities' economic performance; or
- it had neither the right to receive benefits nor the obligation to absorb losses that could be significant to these variable interest entities.

The Company has not provided, and does not intend to provide, financial support to these entities that it is not contractually required to provide. The Company performs ongoing qualitative analyses of its involvement with these variable interest entities to determine if consolidation is required. The Company's maximum potential exposure to loss related to the investment entities is limited to the carrying amount of its investment reported in fixed maturities and equity securities, and its aggregate ownership interest is insignificant relative to the total principal amount issued by these entities.

Variable Interest Entities

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When the Company becomes involved with a variable interest entity and when the nature of the Company's involvement with the entity changes, in order to determine if the Company is the primary beneficiary and must consolidate the entity, it evaluates:

- the structure and purpose of the entity;
- the risks and rewards created by and shared through the entity; and
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Investment Income (Tables)	12 Months Ended Dec. 31, 2012

Investment Income And Gains And Losses Tables [Abstract]

Net investment income

(In millions)	2012	2011	2010
Fixed maturities	**$ 843**	$ 817	$ 788
Equity securities	**4**	6	6
Commercial mortgage loans	**192**	218	221
Policy loans	**74**	86	90
Real estate	**(2)**	(2)	(2)
Other long-term investments	**59**	48	29
Short-term investments and cash	**14**	10	11
	1,184	1,183	1,143
Less investment expenses	**40**	37	38
Net investment income	**$ 1,144**	$ 1,146	$ 1,105

Realized gains and losses on investments table

(In millions)	2012	2011	2010
Fixed maturities	**$ 48**	$ 50	$ 87
Equity securities	**4**	(1)	5
Commercial mortgage loans	**(9)**	(16)	(23)
Real estate	**(1)**	(6)	3
Other investments, including derivatives	**2**	35	3
Realized investment gains (losses), before income taxes	**44**	62	75
Less income taxes (benefits)	**13**	21	25
Net realized investment gains (losses)	**$ 31**	$ 41	$ 50

Impairment on investments table

(in millions)	2012	2011	2010
Credit related (1)	**$ (20)**	$ (28)	$ (38)
Other	**(2)**	(25)	(1)
Total	**$ (22)**	$ (53)	$ (39)

(1) Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.

Realized investment results not reflected in the Company's revenues

(In millions)	2012	2011	2010
Separate accounts	**$ 206**	$ 210	$ 191
Investment gains required to adjust future policy benefits for the run-off settlement annuity business	**$ 21**	$ 8	$ 18

Sales of AFS fixed maturities table

(In millions)	2012	2011	2010
Proceeds from sales	**$ 591**	$ 876	$ 826
Gross gains on sales	**$ 37**	$ 53	$ 46
Gross losses on sales	**$ (2)**	$ (7)	$ (3)

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Acquisitions and Disposition (Details - Other) (USD $) In Millions, except Share data, unless otherwise specified	3 Months Ended								12 Months Ended			0 Months Ended		12 Months Ended				0 Months Ended			1 Months Ended	12 Months Ended				1 Months Ended					1 Months Ended		1 Months Ended				1 Months Ended
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2010 Assets Disposed Of By Method Other Than Sale In Period Of Disposition Run Off Workers Compensation And Personal Accident Business [Member]	Dec. 31, 2012 Assets Disposed Of By Method Other Than Sale In Period Of Disposition Run Off Workers Compensation And Personal Accident Business [Member]	Dec. 31, 2011 Scenario, Previously Reported [Member]	Dec. 31, 2010 Scenario, Previously Reported [Member]	Dec. 31, 2011 Restatement Adjustment [Member]	Dec. 31, 2010 Restatement Adjustment [Member]	Nov. 09, 2012 Finans Emeklilik [Member]	Aug. 31, 2012 Great American Supplemental Benefits Group [Member]	Aug. 31, 2012 Great American Supplemental Benefits Group [Member] Restatement Adjustment [Member]	Jan. 31, 2012 HealthSpring [Member]	Dec. 31, 2012 HealthSpring [Member]	Dec. 31, 2011 HealthSpring [Member]	Dec. 31, 2012 HealthSpring [Member] Pre Tax [Member]	Dec. 31, 2012 HealthSpring [Member] After Tax [Member]	Jan. 31, 2012 HealthSpring [Member] Maximum [Member]	Jan. 31, 2012 HealthSpring [Member] Minimum [Member]	Jan. 31, 2012 HealthSpring [Member] Vested Options [Member]	Jan. 31, 2012 HealthSpring [Member] Unvested Options [Member]	Jan. 31, 2012 HealthSpring [Member] Restricted Stock Grants And Units [Member]	Jan. 31, 2012 HealthSpring [Member] Customer Relationships [Member]	Jan. 31, 2012 HealthSpring [Member] Other Intangibles [Member]	Jan. 31, 2012 HealthSpring [Member] Other Intangibles [Member] Maximum [Member]	Jan. 31, 2012 HealthSpring [Member] Other Intangibles [Member] Minimum [Member]	Nov. 30, 2011 FirstAssist [Member]	Nov. 30, 2011 FirstAssist [Member] Restatement Adjustment [Member]	Aug. 31, 2010 Vanbreda International [Member]
Business Acquisition, Entity Acquired and Reason for Acquisition [Abstract]																																					
Business Acquisition Effective Date Of Acquisition																		November 09, 2012	August 31, 2012		January 31, 2012														November 2011		August 31, 2010
Business Acquisition Name Of Acquired Entity																		Finans Emeklilik ve Hayat A.S.	Great American Supplemental Benefits Group		HealthSpring, Inc.														FirstAssist Group Holdings Limited		Vanbreda International NV
Business Acquisition Percentage Of Voting Interests Acquired																		51.00%																			100.00%
Noncontrolling Interest, Ownership Percentage by Noncontrolling Owners																		49.00%																			
Business Acquisition Description Of Acquired Entity																		Finans Emeklilik operates in life insurance, accident insurance and pension product markets.	one of the largest providers of supplemental health insurance products in the U.S.		HealthSpring provides Medicare Advantage coverage in 13 states and the District of Columbia, as well as a large, national stand-alone Medicare prescription drug business. The acquisition of HealthSpring strengthens the Company's ability to serve individuals across their life stages as well as deepens its presence in a number of geographic markets.														FirstAssist is based in the United Kingdom and provides travel and protection insurance services		
Business Combination Reason For Business Combination																		The acquisition provides Cigna opportunities to reach and serve the growing middle class market in Turkey through Finansbank's network of retail banking branches.	The acquisition provides the Company with an increased presence in the Medicare supplemental benefits market. It also extends the Company's global direct-to-consumer retail channel as well as further enhances its distribution network of agents and brokers.		The addition of HealthSpring brings industry leading physician partnership capabilities and creates the opportunity to deepen the Company's existing client and customer relationships, as well as facilitates a broader deployment of its range of health and wellness capabilities and product offerings.														FirstAssist is based in the United Kingdom and provides travel and protection insurance services that the Company expects will enhance its individual business in the U.K. and around the world.		Vanbreda International's market leadership in the intergovernmental segment complements the Company's position in providing global health benefits primarily to multinational companies and organizations and their globally mobile employees in North America, Europe, the Middle East and Asia.
Healthspring Medicare Advantage Coverage Number Of States																					13																
Minority Interest Redemption Term																		15 years																			
Business Acquisition, Cost of Acquired Entity, Purchase Price [Abstract]																																					
HealthSpring, Inc. common shares outstanding at January 30, 2012	285,829,000				285,533,000				285,829,000	285,533,000	271,880,000										67,800,000																
Less: common shares outstanding not settled in cash																					(100,000)																
Common shares settled in cash																					67,700,000																
Price per share																					$ 55																
Cash consideration for outstanding shares																					$ 3,725																$ 412
Fair value of share-based compensation awards																					65																
Additional cash and equity consideration																					21																
Total merger consideration																		116	326	19	3,811														115		
Business Acquisition Fair Value Of Share Based Compensation Awards [Abstract]																																					
Conversion Ratio Health Spring To Cigna Stock																					1.24																
Share Price																					$ 44.43																
Expected option life assumption																										4 years 9 months 18 days	1 year 9 months 18 days										
Effect Of Rollover Awards For Healthspring Employees [Abstract]																																					
Number of Awards																					2,711,000							589,000	1,336,000	786,000							
Average exercise/award price																												$ 14.04	$ 16.21	$ 44.43							
Fair value of awards																					90							18	37	35							
Included in purchase price																					65							18	28	19							
Compensation expense post-acquisition																					25							0	9	16							
Business Acquisition Purchase Price Allocation [Abstract]																																					
Business Acquisition Purchase Price Allocation Methodology																			In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair value and may change as additional information becomes available over the next several months.		In accordance with GAAP, the total pruchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. The fair value of the customer relationship and the amortization method were determined using an income approach that relies on projected future net cash flows including key assumptions for the customer attrition rate and discount rate.																In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values.
Allocation to the value of business acquired asset																		28	144	73																	
Allocation to insurance liabilities																		58	707	73	505																
Allocation to tax accounts																			(7)	(15)																	
Allocation to goodwill																		113	168		2,541														64	8	
Business Combination Goodwill Recognized Segment Allocation																		Global Supplemental Benefits segment	International Segment Global Supplemental Benefits Segment		Government operating segment														Global Supplemental Benefits		
Business Acquisition Purchase Price Allocation Goodwill Expected Tax Deductible Amount Description																			Substantially all of the goodwill is tax deductible and will be amortized over the next 15 years for federal income tax purposes.																		
Acquired Goodwill Amortization Period For Federal Income Tax Purposes																			15 years																		
Intangible assets																		117	168		795										711	84			40	(18)	210
Acquired Finite-lived Intangible Asset, Weighted Average Useful Life																		10	30												8		10	3			15
Percent of projected benefits reflected in weighted average useful life assumption for acquired intangible assets																					90.00%																
Business Acquisition Period Results Included In Combined Entity																		The results of Finans Emeklilik are included in the Company's Consolidated Financial Statements from the date	The results of this business have been included in the Company's Consolidated Financial Statements from the date of acquisition		The results of HealthSpring have been included in the Company's Consolidated Financial Statements from the date																

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																		of acquisition.	and were not considered material to the Company's consolidated results of operations.	of the acquisition.				
Revenues included in the Company's results	7,620	7,323	7,422	6,754	5,425	5,574	5,479	5,387	29,119	21,865	21,128			21,875	21,134	(10)	(6)				5,400			
Business Combination, Acquisition Related Costs																							53	40
Business Acquisition Pro Forma Information [Abstract]																								
Total Revenues																					29,608	27,461		
Shareholders' net income																					1,633	1,456		
Earnings per share:																								
Basic																					$ 5.73	$ 5.11		
Diluted																					$ 5.63	$ 5.02		
Pro forma information																					Pro forma information. The following table presents selected unaudited pro forma information for the Company assuming the acquisition of HealthSpring had occurred as of January 1, 2011. This pro forma information does not purport to represent what the Company's actual results would have been if the acquisition had occurred as of the date indicated or what such results would be for any future periods.			
Significant Dispositions [Line Items]																								
Significant Acquisitions and Disposals, Date of Transaction for Acquisition or Disposal												Dec. 31, 2010												
Significant Disposition Description												On December 31, 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar Group Limited and transferring administration of this business to the reinsurer. Under the reinsurance agreement, Cigna is indemnified for liabilities with respect to its workers' compensation and personal accident reinsurance business to the extent that these liabilities do not exceed 190% of the December 31, 2010 net reserves. The Company believes that the risk of loss beyond this maximum aggregate is remote.												
Significant Acquisitions and Disposals, Type												essentially exited by purchasing retrocessional coverage												
Significant Business Dispositions Costs Or Sale Proceeds												190												
Significant Business Disposition Gain or Loss, Net Of Tax												(20)												
Significant Business Disposition Gain or Loss, PreTax												$ (31)												
Significant Acquisitions And Disposals Segment												Run-off Reinsurance segment												
Maximum Aggregrate Of Liabilites To Net Reserves													190.00%											

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Consolidated Statements of Income (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Revenues			
Premiums and fees	$ 26,187	$ 18,966	$ 18,274
Net investment income	1,144	1,146	1,105
Mail order pharmacy revenues	1,623	1,447	1,420
Other revenues	121	244	254
Realized investment gains (losses):			
Other-than-temporary impairments on fixed maturities, net	(11)	(26)	(1)
Other realized investment gains	55	88	76
Total realized investment gains (losses)	44	62	75
Total revenues	29,119	21,865	21,128
Benefits and Expenses			
Health Care medical claims expense	14,228	9,125	9,222
Other benefit expenses	3,672	3,365	3,011
Mail order pharmacy cost of goods sold	1,328	1,203	1,169
GMIB fair value (gain) loss	(41)	234	55
Other operating expenses	7,455	6,062	5,869
Total benefits and expenses	26,642	19,989	19,326
Income from Continuing Operations before Income Taxes	2,477	1,876	1,802
Income taxes:			
Current	719	398	331
Deferred	134	217	188
Total taxes	853	615	519
Income (loss) from discontinued operations, net of taxes	0	0	0
Net Income	1,624	1,261	1,283
Less: Net Income Attributable to Redeemable Noncontrolling Interest	1	0	0
Less: Net Income Attributable to Other Noncontrolling Interest	0	1	4
Shareholders' Net Income	$ 1,623	$ 1,260	$ 1,279
Basic Earnings Per Share:			
Shareholders' net income	$ 5.70	$ 4.65	$ 4.69
Diluted Earnings Per Share:			
Shareholders' net income	$ 5.61	$ 4.59	$ 4.65
Dividends Declared Per Share	$ 0.04	$ 0.04	$ 0.04

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Realignment and Effiency Plan (Tables)

12 Months Ended Dec. 31, 2012

Realignment And Efficiency Plan [Tables] [Abstract]

Realignment And Efficiency Rollforward

(In millions)	Severance	Real estate	Total
Third quarter 2012 charge	$ 72	$ 5	$ 77
less: Fourth quarter 2012 payments	5	1	6
Balance, December 31, 2012	$ 67	$ 4	$ 71

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Investments (Details - UCG Fixed maturities) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2012	Dec. 31, 2012 Portion At Amortized Cost Disclosure [Member]	Dec. 31, 2011 Portion At Amortized Cost Disclosure [Member]	Dec. 31, 2012 Fair Value Disclosure [Member]	Dec. 31, 2011 Fair Value Disclosure [Member]	Dec. 31, 2012 Unrealized Gain [Member]	Dec. 31, 2011 Unrealized Gain [Member]	Dec. 31, 2012 Unrealized Loss Or Write Down [Member]	Dec. 31, 2011 Unrealized Loss Or Write Down [Member]
Gross Unrealized Appreciation (Depreciation) on Fixed Maturities By Type [Abstract]									
Federal government and agency		$ 509	$ 552	$ 902	$ 958	$ 393	$ 406	$ 0	$ 0
State and local government		2,169	2,185	2,437	2,456	270	274	(2)	(3)
Foreign government		1,197	1,173	1,322	1,274	126	103	(1)	(2)
Corporate		10,590	9,460	11,881	10,485	1,308	1,070	(17)	(45)
Federal agency mortgage-backed		121	9	122	9	1	0	0	0
Other mortgage-backed		82	73	89	79	11	10	(4)	(4)
Other asset-backed		797	777	936	926	145	160	(6)	(11)
Total		15,465	14,229	17,689	16,187	2,254	2,023	(30)	(65)
One Year Or Less [Abstract]									
Investment grade		494		488				(6)	
Below investment grade		125		123				(2)	
More Than One Year [Abstract]									
Investment grade		207		195				(12)	
Below investment grade		$ 36		$ 26				$ (10)	
Number Of Issues Fixed Maturities One Year Or Less Investment Grade	200								
Number Of Issues Fixed Maturities One Year Or Less Below Investment Grade	67								
Number Of Issues Fixed Maturities More Than One Year Investment Grade	39								
Number Of Issues Fixed Maturities More Than One Year Below Investment Grade	14								

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Segment Information (Details 3) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Realized Investment Gains Losses From Continuing Operations [Abstract]											
Total realized investment gains (losses)									$ 44	$ 62	$ 75
Less income taxes (benefits)									13	21	25
Realized investment gains (losses) from continuing operations, net of taxes and noncontrolling interest									31	41	50
Segment Reporting Information [Line Items]											
Premiums and fees and other revenues									26,308	19,210	18,528
Mail order pharmacy revenues									1,623	1,447	1,420
Net investment income									1,144	1,146	1,105
Realized investment gains (losses)									44	62	75
Total revenues	7,620	7,323	7,422	6,754	5,425	5,574	5,479	5,387	29,119	21,865	21,128
Depreciation and amortization									560	345	292
Income taxes									853	615	519
Realized investment gains (losses) from continuing operations, net of taxes and noncontrolling interest									31	41	50
Shareholders' net income	406 [1]	466 [2]	380 [3]	371 [4]	273 [5]	183 [6]	391 [7]	413 [8]	1,623	1,260	1,279
Operating Segments [Member]											
Segment Reporting Information [Line Items]											
Shareholders' net income									1,592	1,219	1,229
Unallocated Amount to Segment [Member]											
Realized Investment Gains Losses From Continuing Operations [Abstract]											
Realized investment gains (losses) from continuing operations, net of taxes and noncontrolling interest									31	41	50
Segment Reporting Information [Line Items]											
Realized investment gains (losses) from continuing operations, net of taxes and noncontrolling interest									$ 31	$ 41	$ 50

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[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Consolidated Balance Sheets (Parentheticals) (USD $) In Millions, except Share data, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Consolidated Balance Sheets		
Fixed maturities, at amortized cost	$ 15,481	$ 14,257
Equity Securities, at cost	$ 121	$ 124
Common stock par value	$ 0.25	$ 0.25
Common stock shares issued	366,145,000	366,145,000
Common Stock Shares Authorized	600,000,000	600,000,000

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Investments - (Details - RCG Gains/Losses & Impairments) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Impairments Table Details [Abstract]			
Credit-related	$ (20) [1]	$ (28) [1]	$ (38) [1]
Other	(2)	(25)	(1)
Total	(22)	(53)	(39)
Realized Investment Gains And Losses Table Details [Abstract]			
Total realized investment gains (losses)	$ 44	$ 62	$ 75

[1] Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.

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Employee Incentive Plans (Tables)

	12 Months Ended Dec. 31, 2012

Employee Incentive Plans Tables [Abstract]

Compensation costs and related tax benefits table

(In millions)	2012	2011	2010
Compensation cost	$ 98	$ 61	$ 49
Tax benefits	$ 26	$ 14	$ 12

Status of, and changes in, common stock options

(Options in thousands)	2012		2011		2010	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding - January 1	9,581	$ 33.92	12,093	$ 31.10	13,751	$ 29.34
Granted	3,446	$ 28.29	1,546	$ 42.36	1,846	$ 34.64
Exercised	(3,740)	$ 22.72	(3,480)	$ 27.93	(2,565)	$ 24.31
Expired or canceled	(336)	$ 37.85	(578)	$ 33.61	(939)	$ 30.86
Outstanding - December 31	8,951	$ 36.29	9,581	$ 33.92	12,093	$ 31.10
Options exercisable at year-end	5,731	$ 34.93	6,147	$ 34.94	7,656	$ 34.42

Information for stock options exercised

(In millions)	2012	2011	2010
Intrinsic value of options exercised	$ 95	$ 53	$ 30
Cash received for options exercised	$ 85	$ 97	$ 62
Excess tax benefits realized from options exercised	$ 15	$ 10	$ 5

Information for outstanding common stock options

(Dollars in millions, except per share amounts)	Options Outstanding	Options Exercisable
Number (in thousands)	8,951	5,731
Total intrinsic value	$ 154	$ 106
Weighted average exercise price	$ 36.29	$ 34.93
Weighted average remaining contractual life	6.3 yrs	5.1 yrs

Assumptions for fair value of options granted

	2012	2011	2010
Dividend yield	0.1%	0.1%	0.1%
Expected volatility	40.0%	40.0%	40.0%
Risk-free interest rate	0.8%	1.7%	1.9%
Expected option life	4.5 years	4 years	4 years

Status of, and changes in, restricted stock grants

(Awards in thousands)	2012		2011		2010	
	Grants/Units	Weighted Average Fair Value at Award Date	Grants/Units	Weighted Average Fair Value at Award Date	Grants/Units	Weighted Average Fair Value at Award Date
Outstanding - January 1	4,246	$ 28.88	4,306	$ 27.70	4,113	$ 27.65
Awarded	1,563	$ 44.37	945	$ 42.62	1,155	$ 34.63
Vested	(1,485)	$ 27.60	(564)	$ 42.79	(541)	$ 40.87
Forfeited	(260)	$ 33.61	(441)	$ 28.99	(421)	$ 29.28
Outstanding - December 31	4,064	$ 35.00	4,246	$ 28.88	4,306	$ 27.70

Status Of Changes In Strategic Performance Shares Table [Text Block]

(Awards in thousands)	2012		2011		2010	
	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date	Grants/ Units	Weighted Average Fair Value at Award Date
Outstanding - January 1	834	$ 39.45	430	$ 34.73	-	$ -
Awarded	842	$ 44.49	529	$ 42.92	480	$ 34.73
Forfeited	(76)	$ 43.39	(125)	$ 37.92	(50)	$ 34.65
Outstanding - December 31	1,600	$ 41.92	834	$ 39.45	430	$ 34.73

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Derivative Financial Insturments (Details - Hedge accounting) (Designated as Hedging Instrument [Member], USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Other Long Term Investments Designated As Accounting Hedges [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	$ 5	$ 10
Other Long Term Investments Designated As Accounting Hedges [Member] | Interest Rate Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	4	7
Other Long Term Investments Designated As Accounting Hedges [Member] | Interest And Foreign Currency Swaps [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	0	0
Other Long Term Investments Designated As Accounting Hedges [Member] | Foreign Currency Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	1	3
Accounts Payable Accrued Expenses And Other Liabilities Designated As Accounting Hedge [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	31	30
Accounts Payable Accrued Expenses And Other Liabilities Designated As Accounting Hedge [Member] | Interest Rate Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	0	0
Accounts Payable Accrued Expenses And Other Liabilities Designated As Accounting Hedge [Member] | Interest And Foreign Currency Swaps [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative Fair Value	13	11
Accounts Payable Accrued Expenses And Other Liabilities Designated As Accounting Hedge [Member] | Foreign Currency Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		

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Derivative Fair Value	18	19
Other Comprehensive Income [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative, Gain (Loss) on Derivative, Net	(8)	(3)
Other Comprehensive Income [Member] | Interest Rate Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative, Gain (Loss) on Derivative, Net	(3)	(3)
Other Comprehensive Income [Member] | Interest And Foreign Currency Swaps [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative, Gain (Loss) on Derivative, Net	(2)	1
Other Comprehensive Income [Member] | Foreign Currency Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Derivative, Gain (Loss) on Derivative, Net	(3) [1]	(1) [1]
Notional Hedged [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Notional Amount of Derivatives	255	332
Notional Hedged [Member] | Interest Rate Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Notional Amount of Derivatives	58	134
Notional Hedged [Member] | Interest And Foreign Currency Swaps [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Notional Amount of Derivatives	64	64
Notional Hedged [Member] | Foreign Currency Swap [Member]		
Designated As Accounting Hedges Interest Rate Foreign Currency And Combinations [Line Items]		
Notional Amount of Derivatives	$ 133	$ 134

[1] Other comprehensive income for foreign currency swaps excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.

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Schedule I - Summary of Investments	12 Months Ended Dec. 31, 2012
Summary of Investments, Other than Investments in Related Parties [Abstract]	
Summary of Investments, Other than Investments in Related Parties	

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE I
SUMMARY OF INVESTMENTS-OTHER THAN INVESTMENTS IN RELATED PARTIES
December 31, 2012
(in millions)

Type of Investment	Cost	Fair Value	Amount at which shown in the Consolidated Balance Sheet
Fixed maturities:			
Bonds:			
United States government and government agencies and authorities	$ 509	$ 902	$ 902
States, municipalities and political subdivisions	2,169	2,437	2,437
Foreign governments	1,197	1,322	1,322
Public utilities	102	106	106
All other corporate bonds	10,466	11,752	11,752
Asset backed securities:			
United States government agencies mortgage-backed	121	122	122
Other mortgage-backed	82	89	89
Other asset-backed	798	937	937
Redeemable preferred stocks	37	38	38
Total fixed maturities	15,481	17,705	17,705
Equity securities:			
Common stocks:			
Industrial, miscellaneous and all other	28	33	33
Non redeemable preferred stocks	93	78	78
Total equity securities	121	111	111
Commercial mortgage loans on real estate	2,851		2,851
Policy loans	1,501		1,501
Real estate investments	83		83
Other long-term investments	1,213		1,255
Short-term investments	154		154
Total investments	$ 21,404		$ 23,660

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Schedule IV - Reinsurance (Tables)

Supplemental Schedule of Reinsurance Premiums for Insurance Companies [Abstract]

Supplemental Schedule Of Reinsurance Premiums For Insurance Companies [Table Text Block]

12 Months Ended Dec. 31, 2012

	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year Ended December 31, 2012:					
Life insurance in force	$ 710,140	$ 52,435	$ 8,168	$ 665,873	1.2%
Premiums and fees:					
Life insurance and annuities	$ 2,025	$ 268	$ 29	$ 1,786	1.6%
Accident and health insurance	24,163	201	439	24,401	1.8%
Total	$ 26,188	$ 469	$ 468	$ 26,187	1.8%
Year Ended December 31, 2011:					
Life insurance in force	$ 606,587	$ 53,088	$ 9,163	$ 562,662	1.6%
Premiums and fees:					
Life insurance and annuities	$ 1,990	$ 280	$ 40	$ 1,750	2.3%
Accident and health insurance	17,229	167	154	17,216	0.9%
Total	$ 19,219	$ 447	$ 194	$ 18,966	1.0%
Year Ended December 31, 2010:					
Life insurance in force	$ 566,841	$ 44,335	$ 9,734	$ 532,240	1.8%
Premiums and fees:					
Life insurance and annuities	$ 2,026	$ 264	$ 107	$ 1,869	5.7%
Accident and health insurance	16,153	173	425	16,405	2.6%
Total	$ 18,179	$ 437	$ 532	$ 18,274	2.9%

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Variable Interest Entities

12 Months Ended Dec. 31, 2012

Variable Interest Entities [Abstract]

Variable interest entities

Note 14 – Variable Interest Entities

When the Company becomes involved with a variable interest entity and when the nature of the Company's involvement with the entity changes, in order to determine if the Company is the primary beneficiary and must consolidate the entity, it evaluates:

- the structure and purpose of the entity;
- the risks and rewards created by and shared through the entity; and
- the entity's participants' ability to direct its activities, receive its benefits and absorb its losses. Participants include the entity's sponsors, equity holders, guarantors, creditors and servicers.

In the normal course of its investing activities, the Company makes passive investments in securities that are issued by variable interest entities for which the Company is not the sponsor or manager. These investments are predominantly asset-backed securities primarily collateralized by foreign bank obligations or mortgage-backed securities. The asset-backed securities largely represent fixed-rate debt securities issued by trusts that hold perpetual floating-rate subordinated notes issued by foreign banks. The mortgage-backed securities represent senior interests in pools of commercial or residential mortgages created and held by special-purpose entities to provide investors with diversified exposure to these assets. The Company owns senior securities issued by several entities and receives fixed-rate cash flows from the underlying assets in the pools.

In order to provide certain services to its Medicare Advantage customers, the Company contracts with independent physician associations (IPAs) that are variable interest entities. Physicians provide health care services to the Medicare Advantage customers and the Company provides medical management and administrative services to the IPAs.

The Company is not the primary beneficiary and does not consolidate these entities because either:

- it had no power to direct the activities that most significantly impact the entities' economic performance; or
- it had neither the right to receive benefits nor the obligation to absorb losses that could be significant to these variable interest entities.

The Company has not provided, and does not intend to provide, financial support to these entities that it is not contractually required to provide. The Company performs ongoing qualitative analyses of its involvement with these variable interest entities to determine if consolidation is required. The Company's maximum potential exposure to loss related to the investment entities is limited to the carrying amount of its investment reported in fixed maturities and equity securities, and its aggregate ownership interest is insignificant relative to the total principal amount issued by these entities.

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The Company's maximum exposure to loss related to the IPA arrangements is limited to the liability for incurred but not reported claims for the Company's Medicare Advantage customers. These liabilities are not material and are generally secured by deposits maintained by the IPAs.

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Schedule II - Condensed Financial Information of Registrant	12 Months Ended
	Dec. 31, 2012
Condensed Financial Information of Cigna Corporation (Registrant) [Abstract]	
Condensed Financial Information of Cigna Corporation (Registrant)	

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF CIGNA CORPORATION (REGISTRANT)
STATEMENTS OF INCOME
(in millions)

	For the year ended December 31,		
	2012	**2011**	**2010**
Operating expenses:			
Interest	$ 262	$ 195	$ 176
Intercompany interest	-	19	26
Other	190	92	129
Total operating expenses	452	306	331
Loss before income taxes	(452)	(306)	(331)
Income tax benefit	(143)	(107)	(106)
Loss of parent company	(309)	(199)	(225)
Equity in income of subsidiaries	1,932	1,459	1,504
Shareholders' net income	1,623	1,260	1,279
Shareholders' other comprehensive income (loss):			
Net unrealized appreciation (depreciation) on securities:			
Fixed maturities	144	210	151
Equity securities	3	(2)	(1)
Net unrealized appreciation on securities	147	208	150
Net unrealized appreciation (depreciation), derivatives	(5)	1	6
Net translation of foreign currencies	66	(22)	33
Postretirement benefits liability adjustment	(92)	(360)	(189)
Shareholders' other comprehensive income (loss)	116	(173)	-
Shareholders' comprehensive income	$ 1,739	$ 1,087	$ 1,279

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF CIGNA CORPORATION (REGISTRANT)
BALANCE SHEETS
(in millions)

As of December 31,	
2012	**2011**

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Assets:				
Cash and cash equivalents		$ 115		$ -
Investments in subsidiaries		16,125		14,606
Intercompany		37		29
Other assets		729		793
Total assets		$ 17,006		$ 15,428
Liabilities:				
Intercompany		$ 289		$ 489
Short-term debt		200		100
Long-term debt		4,870		4,869
Other liabilities		1,878		1,976
Total liabilities		7,237		7,434
Shareholders' Equity:				
Common stock (shares issued, 366; authorized, 600)		92		92
Additional paid-in capital		3,295		3,188
Net unrealized appreciation — fixed maturities	$ 883		$ 739	
Net unrealized appreciation — equity securities	4		1	
Net unrealized depreciation — derivatives	(28)		(23)	
Net translation of foreign currencies	69		3	
Postretirement benefits liability adjustment	(1,599)		(1,507)	
Accumulated other comprehensive loss		(671)		(787)
Retained earnings		12,330		10,787
Less treasury stock, at cost		(5,277)		(5,286)
Total shareholders' equity		9,769		7,994
Total liabilities and shareholders' equity		$ 17,006		$ 15,428

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF CIGNA CORPORATION (REGISTRANT)
STATEMENTS OF CASH FLOWS
(in millions)

	For the year ended December 31,		
	2012	2011	2010
Cash Flows from Operating Activities:			
Shareholders' Net Income	$ 1,623	$ 1,260	$ 1,279
Adjustments to reconcile shareholders' net income			
to net cash provided by operating activities:			
Equity in income of subsidiaries	(1,932)	(1,459)	(1,504)
Dividends received from subsidiaries	671	1,135	1,050
Other liabilities	(213)	(296)	(294)
Other, net	191	(92)	158
Net cash provided by operating activities	340	548	689
Cash Flows from Investing Activities:			
Other, net	(19)	-	-
Net cash used in investing activities	(19)	-	-
Cash Flows from Financing Activities:			
Net change in intercompany debt	(208)	(3,258)	(816)

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Net change in short-term debt	100	-	-
Net proceeds on issuance of long-term debt	-	2,661	543
Repayment of long-term debt	-	(449)	(268)
Issuance of common stock	121	734	64
Common dividends paid	(11)	(11)	(11)
Repurchase of common stock	(208)	(225)	(201)
Net cash used in financing activities	(206)	(548)	(689)
Net increase in cash and cash equivalents	115	-	-
Cash and cash equivalents, end of year	$ 115	$ -	$ -

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE II
CONDENSED FINANCIAL INFORMATION OF CIGNA CORPORATION
(REGISTRANT)

NOTES TO CONDENSED FINANCIAL STATEMENTS

The accompanying condensed financial statements' prior periods have been updated to reflect the changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements within this Form 10-K for additional information. These statements should be read in conjunction with the Consolidated Financial Statements and the accompanying notes thereto contained in this Form 10-K.

Note 1—For purposes of these condensed financial statements, Cigna Corporation's (the Company) wholly owned and majority owned subsidiaries are recorded using the equity basis of accounting. Certain reclassifications have been made to prior years' amounts to conform to the 2012 presentation.

Note 2—Short-term and long-term debt consisted of the following at December 31:

(In millions)	December 31, 2012	December 31, 2011
Short-term:		
Commercial Paper	$ 200	$ 100
Total short-term debt	$ 200	$ 100
Long-term:		
Uncollateralized debt:		
2.75% Notes due 2016	$ 600	$ 600
5.375% Notes due 2017	250	250
6.35% Notes due 2018	131	131
8.5% Notes due 2019	251	251
4.375% Notes due 2020	249	249
5.125% Notes due 2020	299	299
4.5% Notes due 2021	299	298
4% Notes due 2022	743	743
7.65% Notes due 2023	100	100
8.3% Notes due 2023	17	17
7.875 % Debentures due 2027	300	300
8.3% Step Down Notes due 2033	83	83
6.15% Notes due 2036	500	500
5.875% Notes due 2041	298	298
5.375% Notes due 2042	750	750
Total long-term debt	$ 4,870	$ 4,869

In December 2012, the Company extended the life of its June 2011 five-year revolving credit and letter of credit agreement for $1.5 billion, that permits up to $500 million to be used for letters of credit. This agreement is diversified among 16 banks, with 3 banks each having 12% of the commitment and the remainder spread among 13 banks. The credit agreement includes options that are subject to consent by the administrative agent and the committing banks, to increase the commitment amount to $2 billion and to extend the term past December 2017. The credit agreement is available for general corporate purposes, including as a commercial paper backstop and for the issuance of letters of credit. This agreement includes certain covenants, including a

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financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00. As of December 31, 2012, the Company had $5.3 billion of borrowing capacity within the maximum debt coverage covenant in the agreement in addition to the $5.2 billion of debt outstanding. There were letters of credit of $66 million issued as of December 31, 2012.

On November 10, 2011, the Company issued $2.1 billion of long-term debt as follows: $600 million of 5-Year Notes due November 15, 2016 at a stated interest rate of 2.75% ($600 million, net of discount, with an effective interest rate of 2.936% per year), $750 million of 10-Year Notes due February 15, 2022 at a stated interest rate of 4% ($743 million, net of discount, with an effective interest rate of 4.346% per year) and $750 million of 30-Year Notes due February 15, 2042 at a stated interest rate of 5.375% ($750 million, net of discount, with an effective interest rate of 5.542% per year). Interest is payable on May 15 and November 15 of each year beginning May 15, 2012 for the 5-Year Notes and February 15 and August 15 of each year beginning February 15, 2012 for the 10-Year and 30-Year Notes. The proceeds of this debt were used to reduce the intercompany payable balance with Cigna Holdings and ultimately used to fund the HealthSpring acquisition in 2012.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury Rate plus 30 basis points (5-Year 2.75% Notes due 2016), 35 basis points (10-Year 4% Notes due 2022), or 40 basis points (30-Year 5.375% Notes due 2042).

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury Rate plus 20 basis points (10-Year 4.5% Notes due 2021) or 25 basis points (30-Year 5.875% Notes due 2041).

Maturities of debt are as follows (in millions): none in 2013, 2014, 2015, $600 in 2016, $250 in 2017 and the remainder in years after 2017. Interest expense on long-term and short-term debt was $262 million in 2012, $195 million in 2011, and $176 million in 2010. Interest paid on long-term and short-term debt was $242 million in 2012, $179 million in 2011, and $175 million in 2010.

Note 3—Intercompany liabilities consist primarily of loans payable to Cigna Holdings, Inc. of $ 289 million as of December 31, 2012 and $489 million as of December 31, 2011. The proceeds of the debt issuance in November 2011 of $2.1 billion (see Note 2) and the equity issuance of $629 million (see Note 5) were used to reduce the intercompany loan payable balance with Cigna Holdings and ultimately used to fund the HealthSpring acquisition in 2012. Interest was accrued at an average monthly rate of 0.71% for 2012 and 0.63% for 2011.

Note 4—As of December 31, 2012, the Company had guarantees and similar agreements in place to secure payment obligations or solvency requirements of certain wholly owned subsidiaries as follows:

- The Company has arranged for bank letters of credit in the amount of $3 million to provide collateral in support of its indirect wholly owned subsidiaries.

- Various indirect, wholly-owned subsidiaries have obtained surety bonds in the normal course of business. If there is a claim on a surety bond and the subsidiary is unable to pay, the Company guarantees payment to the company issuing the surety bond. The aggregate amount of such surety bonds as of December 31, 2012 was $28 million.

- The Company is obligated under a $12 million letter of credit required by the insurer of its high-deductible self-insurance programs to indemnify the insurer for claim liabilities that fall within deductible amounts for policy years dating back to 1994.

- The Company also provides solvency guarantees aggregating $34 million under state and federal regulations in support of its indirect wholly-owned medical HMOs in several states.

- The Company has arranged a $50 million letter of credit in support of Cigna Europe Insurance Company, an indirect wholly-owned subsidiary. The Company has agreed to indemnify the banks providing the letters of credit in the event of any draw. Cigna Europe Insurance Company is the holder of the letters of credit.

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- The Company has agreed to indemnify payment of losses included in Cigna Europe Insurance Company's reserves on the assumed reinsurance business transferred from ACE. As of December 31, 2012, the reserve was $43 million.

In 2012, no payments have been made on these guarantees and none are pending. The Company provided other guarantees to subsidiaries that, in the aggregate, do not represent a material risk to the Company's results of operations, liquidity or financial condition.

Note 5 - On November 16, 2011, the Company issued 15.2 million shares of its common stock at $42.75 per share. Proceeds were $650 million ($629 million net of underwriting discount and fees) and used to reduce the intercompany loan payable balance with Cigna Holdings and ultimately used to fund the HealthSpring acquisition in January 2012.

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Investments (Details - Impaired commercial loans) (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	$ 125	$ 195
Commercial Mortgage Loans Financing Receivable With Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	65	135
Commercial Mortgage Loans Financing Receivable With No Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	60	60
Impaired Commercial Mortgage Loans Gross [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	132	214
Impaired Commercial Mortgage Loans Gross [Member] | Commercial Mortgage Loans Financing Receivable With Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	72	154
Impaired Commercial Mortgage Loans Gross [Member] | Commercial Mortgage Loans Financing Receivable With No Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	60	60
Impaired Commercial Mortgage Loans Reserves [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	(7)	(19)
Impaired Commercial Mortgage Loans Reserves [Member] | Commercial Mortgage Loans Financing Receivable With Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	(7)	(19)
Impaired Commercial Mortgage Loans Reserves [Member] | Commercial Mortgage Loans Financing Receivable With No Related Allowance [Member]		
Impaired Commercial Mortgage Loans And Valuation Reserves [Line Items]		
Impaired Financing Receivable, Recorded Investment	$ 0	$ 0

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Schedule V - Valuation and Qualifying Accounts and Reserves (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Allowance for Loans and Leases Receivable [Member]			
Movement in Valuation Allowances and Reserves [Roll Forward]			
Balance at beginning of period	$ 19	$ 12	$ 17
Charged (Credited) to costs and expenses	10	16	24
Charged (Credited) to other accounts	0	0	0
Other deductions - Describe	(22)	(9)	(29)
Balance at end of period	7	19	12
Allowance for Doubtful Accounts [Member]			
Movement in Valuation Allowances and Reserves [Roll Forward]			
Balance at beginning of period	45	49	43
Charged (Credited) to costs and expenses	4	4	11
Charged (Credited) to other accounts	1	(1)	0
Other deductions - Describe	1	(7)	(5)
Balance at end of period	51	45	49
Valuation Allowance of Deferred Tax Assets [Member]			
Movement in Valuation Allowances and Reserves [Roll Forward]			
Balance at beginning of period	45	26	117
Charged (Credited) to costs and expenses	4	4	(91)
Charged (Credited) to other accounts	(7)	15	0
Other deductions - Describe	0	0	0
Balance at end of period	42	45	26
Allowance for Reinsurance Recoverable [Member]			
Movement in Valuation Allowances and Reserves [Roll Forward]			
Balance at beginning of period	5	10	15
Charged (Credited) to costs and expenses	(1)	(5)	(5)
Charged (Credited) to other accounts	0	0	0
Other deductions - Describe	0	0	0
Balance at end of period	$ 4	$ 5	$ 10

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Debt	12 Months Ended Dec. 31, 2012

Debt Disclosure [Abstract]

Debt

Note 16 — Debt

(In millions)		2012		2011
Short-term:				
Commercial paper	**$**	**200**	$	100
Current maturities of long-term debt		**1**		4
Total short-term debt	**$**	**201**	$	104
Long-term:				
Uncollateralized debt:				
2.75% Notes due 2016	**$**	**600**	$	600
5.375% Notes due 2017		**250**		250
6.35% Notes due 2018		**131**		131
8.5% Notes due 2019		**251**		251
4.375% Notes due 2020		**249**		249
5.125% Notes due 2020		**299**		299
6.37% Notes due 2021		**78**		78
4.5% Notes due 2021		**299**		298
4% Notes due 2022		**743**		743
7.65% Notes due 2023		**100**		100
8.3% Notes due 2023		**17**		17
7.875% Debentures due 2027		**300**		300
8.3% Step Down Notes due 2033		**83**		83
6.15% Notes due 2036		**500**		500
5.875% Notes due 2041		**298**		298
5.375% Notes due 2042		**750**		750
Other		**38**		43
Total long-term debt	**$**	**4,986**	$	4,990

As described in Note 3, the Company acquired HealthSpring on January 31, 2012. At the acquisition date, HealthSpring had $326 million of debt outstanding. In accordance with debt covenants, HealthSpring's debt obligation was paid immediately following the acquisition. This repayment is reported as a financing activity in the statement of cash flows for the year ended December 31, 2012.

In December 2012, the Company extended the life of its June 2011 five-year revolving credit and letter of credit agreement for $1.5 billion, that permits up to $500 million to be used for letters of credit. This agreement is diversified among 16 banks, with 3 banks each having 12% of the commitment and the remainder spread among 13 banks. The credit agreement includes options that are subject to consent by the administrative agent and the committing banks, to increase the commitment amount to $2 billion and to extend the term past December 2017. The credit agreement is available for general corporate purposes, including as a commercial paper backstop and for the issuance of letters of credit. This agreement has certain covenants, including a financial covenant requiring the Company to This agreement has certain covenants, including a financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00. As of December 31, 2012, the Company had $5.3 billion of borrowing capacity within the maximum debt coverage covenant in the agreement in addition to the $5.2 billion of debt outstanding. There were letters of credit of $66 million issued as of December 31, 2012.

On November 10, 2011, the Company issued $2.1 billion of long-term debt as follows: $600 million of 5-Year Notes due November 15, 2016 at a stated interest rate of 2.75% ($600 million, net of discount, with an effective interest rate of 2.936% per year), $750 million of 10-Year Notes due February 15, 2022 at a stated interest rate of 4% ($743 million, net of discount, with an effective interest rate of 4.346% per year) and $750 million of 30-Year Notes due February 15, 2042 at a stated interest rate of 5.375% ($750 million, net of discount, with an effective interest rate of 5.542% per year). Interest is payable on May 15 and November 15 of each year beginning May 15, 2012 for the 5-Year Notes and February 15 and August 15 of each year beginning February 15, 2012 for the 10-Year and 30-Year Notes. The proceeds of this debt were used to fund the HealthSpring acquisition in January 2012.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or

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- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 30 basis points (5-Year 2.75% Notes due 2016), 35 basis points (10-Year 4% Notes due 2022), or 40 basis points (30-Year 5.375% Notes due 2042).

In March 2011, the Company issued $300 million of 10-Year Notes due March 15, 2021 at a stated interest rate of 4.5% ($298 million, net of discount, with an effective interest rate of 4.683% per year) and $300 million of 30-Year Notes due March 15, 2041 at a stated interest rate of 5.875% ($298 million, net of discount, with an effective interest rate of 6.008% per year). Interest is payable on March 15 and September 15 of each year beginning September 15, 2011. The proceeds of this debt were used for general corporate purposes, including the repayment of debt maturing in 2011.

The Company may redeem these Notes, at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 20 basis points (10-Year 4.5% Notes due 2021) or 25 basis points (30-Year 5.875% Notes due 2041).

During 2011, the Company repaid $449 million in maturing long-term debt.

In the fourth quarter of 2010, the Company entered into the following transactions related to its long-term debt:

- In December 2010 the Company offered to settle its 8.5% Notes due 2019, including accrued interest from November 1 through the settlement date. The tender price equaled the present value of the remaining principal and interest payments on the Notes being redeemed, discounted at a rate equal to the 10-year Treasury rate plus a fixed spread of 100 basis points. The tender offer priced at a yield of 4.128% and principal of $99 million was tendered, with $251 million remaining outstanding. The Company paid $130 million, including accrued interest and expenses, to settle the Notes, resulting in an after-tax loss on early debt extinguishment of $21 million.

- In December 2010 the Company offered to settle its 6.35% Notes due 2018, including accrued interest from September 16 through the settlement date. The tender price equaled the present value of the remaining principal and interest payments on the Notes being redeemed, discounted at a rate equal to the 10-year Treasury rate plus a fixed spread of 45 basis points. The tender offer priced at a yield of 3.923% and principal of $169 million was tendered, with $131 million remaining outstanding. The Company paid $198 million, including accrued interest and expenses, to settle the Notes, resulting in an after-tax loss on early debt extinguishment of $18 million.

- In December 2010, the Company issued $250 million of 4.375% Notes ($249 million net of debt discount, with an effective interest rate of 5.1%). Interest is payable on June 15 and December 15 of each year beginning December 15, 2010. These Notes will mature on December 15, 2020. The proceeds of this debt were used to fund the tender offer for the 8.5% Senior Notes due 2019 and the 6.35% Senior Notes due 2018 described above.

In May 2010, the Company issued $300 million of 5.125% Notes ($299 million, net of debt discount, with an effective interest rate of 5.36% per year). Interest is payable on June 15 and December 15 of each year beginning December 15, 2010. These Notes will mature on June 15, 2020. The proceeds of this debt were used for general corporate purposes.

The Company may redeem the Notes issued in 2010 at any time, in whole or in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the present value of the remaining principal and interest payments on the Notes being redeemed discounted at the applicable Treasury rate plus 25 basis points.

Maturities of debt and capital leases are as follows (in millions): $1 in 2013, $23 in 2014, none in 2015, $600 in 2016, $250 in 2017 and the remainder in years after 2017. Interest expense on long-term debt, short-term debt and capital leases was $268 million in 2012, $202 million in 2011, and $182 million in 2010.

The Company was in compliance with its debt covenants as of December 31, 2012.

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Summary of Significant Accounting Policies (Details - Changes in Accounting Pronouncements) (USD $) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Condensed Consolidated Statement of Income											
Revenue, excluding other revenues										$ 21,621	$ 20,874
Other revenues									121	244	254
Total revenues	7,620	7,323	7,422	6,754	5,425	5,574	5,479	5,387	29,119	21,865	21,128
Benefits and expenses, excluding other operating expenses										13,927	13,457
Other operating expenses									7,455	6,062	5,869
Total benefits and expenses									26,642	19,989	19,326
Income from Continuing Operations before Income Taxes									2,477	1,876	1,802
Current income taxes									719	398	331
Deferred income taxes									134	217	188
Total taxes									853	615	519
Income from Discontinued Operations, Net of Taxes									0	0	0
Net Income									1,624	1,261	1,283
Less: Net Income Attributable to Noncontrolling Interest										1	4
Shareholders' Net Income	406 [1]	466 [2]	380 [3]	371 [4]	273 [5]	183 [6]	391 [7]	413 [8]	1,623	1,260	1,279
Earnings per share:											
Basic	$ 1.43	$ 1.64	$ 1.33	$ 1.30	$ 0.99	$ 0.68	$ 1.46	$ 1.53	$ 5.70	$ 4.65	$ 4.69
Diluted	$ 1.41	$ 1.61	$ 1.31	$ 1.28	$ 0.98	$ 0.67	$ 1.43	$ 1.51	$ 5.61	$ 4.59	$ 4.65
Condensed Consolidated Balance Sheets											
Deferred policy acquisition cost	1,198				817				1,198	817	
Deferred Tax Assets Liabilities Net	374				803				374	803	
Other assets, including other intangibles	2,355				1,750				2,355	1,750	
All other assets					47,327					47,327	
Total assets	53,734				50,697				53,734	50,697	
Net translation of foreign currencies	69				3				69	3	
Retained earnings	12,330				10,787				12,330	10,787	
Other shareholder's equity					(2,796)					(2,796)	
Total shareholders' equity	9,769				7,994				9,769	7,994	

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Scenario, Previously Reported [Member]		
Condensed Consolidated Statement of Income		
Revenue, excluding other revenues	21,621	20,874
Other revenues	254	260
Total revenues	21,875	21,134
Benefits and expenses, excluding other operating expenses	13,927	13,457
Other operating expenses	5,980	5,807
Total benefits and expenses	19,907	19,264
Income from Continuing Operations before Income Taxes	1,968	1,870
Current income taxes	398	331
Deferred income taxes	242	190
Total taxes	640	521
Income from Discontinued Operations, Net of Taxes	0	0
Net Income	1,328	1,349
Less: Net Income Attributable to Noncontrolling Interest	1	4
Shareholders' Net Income	1,327	1,345
Earnings per share:		
Basic	$ 4.90	$ 4.93
Diluted	$ 4.84	$ 4.89
Restatement Adjustment [Member]		
Condensed Consolidated Statement of Income		
Revenue, excluding other revenues	0	0
Other revenues	(10)	(6)
Total revenues	(10)	(6)
Benefits and expenses, excluding other operating expenses	0	0
Other operating expenses	82	62
Total benefits and expenses	82	62
Income from Continuing Operations before Income Taxes	(92)	(68)
Current income taxes	0	0
Deferred income taxes	(25)	(2)
Total taxes	(25)	(2)
Income from Discontinued Operations, Net of Taxes	0	0
Net Income	(67)	(66)

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Less: Net Income Attributable to Noncontrolling Interest		0	0
Shareholders' Net Income		(67)	(66)
Earnings per share:			
Basic		$ (0.25)	$ (0.24)
Diluted		$ (0.25)	$ (0.24)
Accounting Standards Update 201026 [Member] | Scenario, Previously Reported [Member]			
Condensed Consolidated Balance Sheets			
Deferred policy acquisition cost	1,312	1,312	
Deferred Tax Assets Liabilities Net	632	632	
Other assets, including other intangibles	1,776	1,776	
All other assets	47,327	47,327	
Total assets	51,047	51,047	
Net translation of foreign currencies	(3)	(3)	
Retained earnings	11,143	11,143	
Other shareholder's equity	(2,796)	(2,796)	
Total shareholders' equity	8,344	8,344	
Accounting Standards Update 201026 [Member] | Restatement Adjustment [Member]			
Condensed Consolidated Balance Sheets			
Deferred policy acquisition cost	(495)	(495)	
Deferred Tax Assets Liabilities Net	171	171	
Other assets, including other intangibles	(26)	(26)	
All other assets	0	0	
Total assets	(350)	(350)	
Net translation of foreign currencies	6	6	
Retained earnings	(356)	(356)	
Other shareholder's equity	0	0	
Total shareholders' equity	$ (350)	$ (350)	

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

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[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Income Taxes (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	12 Months Ended		
	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Current Income Taxes [Abstract]				
U.S. income		$ 604	$ 320	$ 267
Foreign income		72	58	45
State income		43	20	19
Deferred Income Taxes [Abstract]				
Deferred Federal Tax Expense Benefit		131	193	187
Deferred Foreign Tax Expense Benefit		4	23	8
Deferred State And Local Tax Expense Benefit		(1)	1	(7)
Reconciliation of total taxes to nominal federal rate details [Abstract]				
Effective Income Tax Rate Reconciliation At Federal Statutory Income Amount		867	657	631
Effective Income Tax Rate Reconciliation Tax Exempt Income Amount		(28)	(29)	(31)
Effective Income Tax Rate Reconciliation Deductions Dividends Amount		(3)	(4)	(3)
Effective Income Tax Rate Reconciliation Tax Settlements Domestic Amount		0	(30)	0
Effective Income Tax Rate Reconciliation State And Local Income Taxes Amount		28	14	9
Effective Income Tax Rate Reconciliation Change In Deferred Tax Assets Valuation Allowance Amount		6	5	(93)
Effective Income Tax Rate Reconciliation Other Adjustments Amount		20	19	17
Total taxes		853	615	519
Deferred tax assets [Abstract]				
Employee and retiree benefit plans		765	829	
Investments, net		95	108	
Other insurance and contractholder liabilities		486	443	
Deferred gain on sale of business		28	46	
Policy acquisition expenses		147	151	
Loss carryforwards		9	8	
Other accrued liabilities		164	109	
Bad debt expense		21	17	
Other		33	37	
Deferred tax assets before valuation allowance		1,748	1,748	
Valuation allowance for deferred tax assets		(42)	(45)	
Deferred tax assets, net of valuation allowance		1,706	1,703	
Deferred tax liabilities [Abstract]				
Depreciation and amortization		704	377	
Foreign operations, net		147	128	

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Unrealized appreciation (depreciation) on investments and foreign currency translation		481	395	
Total deferred tax liabilities		1,332	900	
Net deferred income tax assets		374	803	
Reconciliation of unrecognized tax benefits details [Abstract]				
Balance at January 1,	52	52	177	214
Increase (decrease) due to prior year positions		(5)	(113)	(55)
Increase due to current year positions		7	7	34
Reduction in net unrecognized tax benefit resulting from IRS examination		0	(17)	(13)
Reduction related to lapse of applicable statute of limitations		(3)	(2)	(3)
Balance at December 31,		51	52	177
Permanently Invested Foreign Earnings [Line Items]				
Increase to shareholders' net income for change in foreign tax practices	13	(37)	(17)	(11)
Unrecognized deferred tax liabilities related to investments in subsidiaries		116		
Unrecorded Deferred Tax Liability Recorded to OCI		10		
Income Taxes Text Details [Abstract]				
Amount included in unrecognized tax benefits that would impact net income if recognized		29		
Liability for net interest and penalties		3	2	14
Effect of IRS examination to shareholders' net income			24	
Income tax benefit related to IRS examination			33	
Pre-tax charge associated with IRS examination			9	
Reduction of interest and penalties resulting from IRS examination			11	
Unrecognized Tax Benefits Decreases Resulting From Examinations			11	
Valuation Allowance [Line Items]				
Valuation Allowance, Amount			$ 7	

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Statement of Changes in Total Equity (USD $) In Millions, unless otherwise specified	Total	Shareholders' Equity [Member]	Common Stock [Member]	Additional Paid In Capital [Member]	Accumulated Other Comprehensive Income [Member]	Retained Earnings [Member]	Treasury Stock [Member]	Noncontrolling Interest [Member]
Total Equity, beginning of period (Accounting Standards Update 201026 [Member]) (Scenario, Previously Reported [Member])	$ 5,429	$ 5,417	$ 88	$ 2,514	$ (618)	$ 8,625	$ (5,192)	$ 12
Total Equity, beginning of period (Accounting Standards Update 201026 [Member]) (Restatement Adjustment [Member])	(219)	(219)			4	(223)		
Total Equity, beginning of period at Dec. 31, 2009	5,210	5,198	88	2,514	(614)	8,402	(5,192)	12
Effect of issuing stock for employee benefit plans, Additional Paid In Capital				20				
Effect of issuing stock for employee benefit plans, Retained Earnings						(80)	151	
Effect of issuing stock for employee benefit plans, Total Equity	91	91						
Other comprehensive income (loss) attributable to Parent	0	0			0			
Other comprehensive income (loss) attributable to noncontrolling interest								2
Shareholders' net income	1,279	1,279				1,279		
Shareholders' net income at Jan. 01, 2010 (Scenario, Previously Reported [Member])	1,345							
Shareholders' net income (Restatement Adjustment [Member])	(66)							
Net income attributable to noncontrolling interest	4							
Net income attributable to noncontrolling interest at Jan. 01, 2010 (Scenario, Previously Reported [Member])	4							
Net income attributable to noncontrolling interest (Restatement Adjustment [Member])	0							
Net income	1,283							
Net income at Jan. 01, 2010 (Scenario, Previously Reported [Member])	1,349							

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Net income (Restatement Adjustment [Member])	(66)							
Common dividends declared (per share: $0.04)	(11)	(11)				(11)		
Repurchase of common stock	(201)	(201)					(201)	
Total Equity, end of period at Dec. 31, 2010	6,374	6,356	88	2,534	(614)	9,590	(5,242)	18
Issuance of common stock	629	629	4	625				
Effect of issuing stock for employee benefit plans, Additional Paid In Capital				27				
Effect of issuing stock for employee benefit plans, Retained Earnings						(52)	181	
Effect of issuing stock for employee benefit plans, Total Equity	156	156						
Effects of acquistion of noncontrolling interest	(17)	2		2				(19)
Other comprehensive income (loss) attributable to Parent	(173)	(173)			(173)			
Shareholders' net income	1,260	1,260				1,260		
Shareholders' net income at Jan. 01, 2011 (Scenario, Previously Reported [Member])	1,327							
Shareholders' net income (Restatement Adjustment [Member])	(67)							
Net income attributable to noncontrolling interest	1							1
Net income attributable to noncontrolling interest at Jan. 01, 2011 (Scenario, Previously Reported [Member])	1							
Net income attributable to noncontrolling interest (Restatement Adjustment [Member])	0							
Net income	1,261							
Net income at Jan. 01, 2011 (Scenario, Previously Reported [Member])	1,328							
Net income (Restatement Adjustment [Member])	(67)							
Common dividends declared (per share: $0.04)	(11)	(11)				(11)		
Repurchase of common stock	(225)	(225)					(225)	
Redeemable Noncontrolling interest, Ending Balance at Dec. 31, 2011	0							
Total Equity, end of period at Dec. 31, 2011	7,994	7,994	92	3,188	(787)	10,787	(5,286)	0

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Effect of issuing stock for employee benefit plans, Additional Paid In Capital				107				
Effect of issuing stock for employee benefit plans, Retained Earnings						(69)	217	
Effect of issuing stock for employee benefit plans, Total Equity	255	255						
Effects of acquistion of noncontrolling interest	0	0		0				
Other comprehensive income (loss) attributable to Parent	116	116			116			
Shareholders' net income	1,623	1,623				1,623		
Net income	1,624							
Common dividends declared (per share: $0.04)	(11)	(11)				(11)		
Repurchase of common stock	(208)	(208)					(208)	
Increase (Decrease) in Temporary Equity [Roll Forward]								
Effects of acquisition of joint venture	111							
Reedemable Noncontrolling interest, Other comprehensive income	2							
Reedemable Noncontrolling Interest, Net income	1							
Redeemable Noncontrolling interest, Ending Balance at Dec. 31, 2012	114							
Total Equity, end of period at Dec. 31, 2012	$ 9,769	$ 9,769	$ 92	$ 3,295	$ (671)	$ 12,330	$ (5,277)	$ 0

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Consolidated Statements of Income (Amounts Attributable to CIGNA) (USD $) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Consolidated Statements of Income											
Shareholders' income from discontinued operations									$ 0	$ 0	$ 0
Shareholders' Net Income	$ 406 [1]	$ 466 [2]	$ 380 [3]	$ 371 [4]	$ 273 [5]	$ 183 [6]	$ 391 [7]	$ 413 [8]	$ 1,623	$ 1,260	$ 1,279

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Goodwill, Other Intangibles, and Property and Equipment	12 Months Ended Dec. 31, 2012
Goodwill Other Intangibles And Property And Equipment [Abstract]	
Goodwill, Other Intangibles, and Property and Equipment	

Note 9 — Goodwill, Other Intangibles, and Property and Equipment

Effective December 31, 2012, the Company changed its external reporting segments. See Note 23 for further information. Goodwill primarily relates to the Global Health Care segment ($5.7 billion) and, to a lesser extent, the Global Supplemental Benefits segment ($350 million) and increased during 2012 primarily as a result of the acquisitions of HealthSpring ($2.5 billion) and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik ($300 million).

Activity in Goodwill during 2012 and 2011 was as follows:

(In millions)		**2012**		2011
Balance at January 1,	**$**	**3,164**	$	3,119
Goodwill acquired:				
FirstAssist		**7**		57
HealthSpring		**2,541**		-
Great American Supplement Benefits		**168**		-
Finans Emeklilik		**113**		-
Goodwill sold:				
Cigna Government Services		**-**		(6)
Impact of foreign currency translation		**8**		(6)
Balance at December 31,	**$**	**6,001**	$	3,164

Other intangible assets were comprised of the following at December 31:

(Dollars in millions)		Cost		Accumulated Amortization		Net Carrying Value	Weighted Average Amortization Period (Years)
2012							
Customer relationships	**$**	**1,278**	**$**	**466**	**$**	**812**	**10**
Other		**328**		**80**		**248**	**11**
Total reported in other assets, including other intangibles		**1,606**		**546**		**1,060**	
Value of business acquired (reported in deferred policy acquisition costs)		**172**		**2**		**170**	**26**
Internal-use software (reported in property and equipment)		**1,738**		**1,191**		**547**	**5**
Total other intangible assets	**$**	**3,516**	**$**	**1,739**	**$**	**1,777**	
2011							
Customer relationships	$	583	$	313	$	270	13
Other		127		27		100	12
Total reported in other assets, including other intangibles		710		340		370	
Internal-use software (reported in property and equipment)		1,600		1,054		546	5
Total other intangible assets	$	2,310	$	1,394	$	916	

The increase in intangible assets in 2012 relates primarily to the acquisitions of HealthSpring and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik.

Property and equipment was comprised of the following as of December 31:

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(Dollars in millions)	Cost	Accumulated Amortization	Net Carrying Value
2012			
Internal-use software	**$ 1,738**	**$ 1,191**	**$ 547**
Other property and equipment	**1,415**	**842**	**573**
Total property and equipment	**$ 3,153**	**$ 2,033**	**$ 1,120**
2011			
Internal-use software	$ 1,600	$ 1,054	$ 546
Other property and equipment	1,285	807	478
Total property and equipment	$ 2,885	$ 1,861	$ 1,024

Depreciation and amortization was comprised of the following for the years ended December 31:

(Dollars in millions)	**2012**	2011	2010
Internal-use software	**$ 209**	$ 187	$ 161
Other property and equipment	**144**	117	99
Value of business acquired (reported in deferred policy acquisition costs)	**2**	-	-
Other intangibles	**205**	41	32
Total depreciation and amortization	**$ 560**	$ 345	$ 292

The increase in amortization of other intangibles in 2012 relates primarily to the acquisitions of HealthSpring and, to a lesser extent, Great American Supplemental Benefits and Finans Emeklilik.

The Company estimates annual pre-tax amortization for intangible assets, including internal-use software, over the next five calendar years to be as follows: $415 million in 2013, $368 million in 2014, $312 million in 2015, $262 million in 2016, and $213 million in 2017.

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Debt (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Debt Details [Abstract]			
Commercial Paper Outstanding	$ 200	$ 100	
Current maturities of long-term debt	1	4	
Total short-term debt	201	104	
Debt Instrument [Line Items]			
Long-term Debt, Excluding Current Maturities	4,986	4,990	
Net proceeds on issuance of long-term debt	0	2,676	543
Debt Tender Details [Abstract]			
Repayments Of Debt		449	
Maturities Of Debt and Capital Leases [Abstract]			
Future Maturities of Debt and Capital Leases in 2012	1		
Future Maturities of Debt and Capital Leases in 2013	23		
Future Maturities of Debt and Capital Leases in 2014	0		
Future Maturities of Debt and Capital Leases in 2015	600		
Future Maturities of Debt and Capital Leases in 2016	250		
Future Maturities of Debt and Capital Leases for Years After 2016	remainder		
Interest Expense [Abstract]			
Interest Expense on Long-term Debt, Short-term Debt and Capital Leases	268	202	182
Unsecured Debt [Member] | Proceeds from debt used to fund acquisition [Member]			
Debt Instrument [Line Items]			
Debt Instrument, Issuance Date	2011-11-10		
Long Term Debt Face Value	2,100		
Notes due 2016 2.75% Interest [Member]			
Debt Instrument [Line Items]			

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Long-term Debt, Excluding Current Maturities	600	600	
Notes due 2016 2.75% Interest [Member] | Unsecured Debt [Member]			
Debt Instrument [Line Items]			
Debt Instrument, Maturity Date	Nov. 15, 2016		
Long Term Debt Face Value	600		
Stated interest rate	2.75%		
Effective interest rate	2.936%		
Percentage of principal amount to be paid upon redemption	100.00%		
Basis Points Added To Treasury Rate	30		
Notes due 2016 2.75% Interest [Member] | Unsecured Debt [Member] | Proceeds from debt used to fund acquisition [Member]			
Debt Instrument [Line Items]			
Debt Instrument, Issuance Date	2011-11-10		
Notes due 2017 5.375% Interest [Member]			
Debt Instrument [Line Items]			
Long-term Debt, Excluding Current Maturities	250	250	
Notes due 2017 5.375% Interest [Member] | Unsecured Debt [Member]			
Debt Instrument [Line Items]			
Stated interest rate	5.375%		
Notes due 2018 6.35% Interest [Member]			
Debt Instrument [Line Items]			
Long-term Debt, Excluding Current Maturities	131	131	
Notes due 2018 6.35% Interest [Member] | Unsecured Debt [Member]			
Debt Instrument [Line Items]			
Stated interest rate	6.35%		
Basis Points Added To Treasury Rate			45
Debt Tender Details [Abstract]			
Tender Offer Price And Discount Rate			The tender price equaled the present value of the remaining principal and interest payments on the Notes being

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			redeemed, discounted at a rate equal to the 10 year Treasury rate plus a fixed spread of 45 basis points.
Debt Tender Pricing Yield			3.923%
Amount Of Debt Tendered			169
Repayments Of Debt			198
Gain (loss) on extinguishment of debt, net of tax			18
Notes due 2019 8.5% Interest [Member]			
Debt Instrument [Line Items]			
Long-term Debt, Excluding Current Maturities	251	251	
Debt Tender Details [Abstract]			
Debt Tender Pricing Yield			4.128%
Notes due 2019 8.5% Interest [Member] | Unsecured Debt [Member]			
Debt Instrument [Line Items]			
Stated interest rate	8.50%		
Basis Points Added To Treasury Rate			100.00
Debt Tender Details [Abstract]			
Tender Offer Price And Discount Rate			The tender price equaled the present value of the remaining principal and interest payments on the Notes being redeemed, discounted at a rate equal to the 10 year Treasury rate plus a fixed spread of 100 basis points.
Amount Of Debt Tendered			99
Repayments Of Debt			130
Gain (loss) on extinguishment of debt, net of tax			21
Notes due 2020 4.375% Interest [Member]			
Debt Instrument [Line Items]			
Long-term Debt, Excluding Current Maturities	249	249	
Percentage of principal amount to be paid upon redemption	100.00%		
Basis Points Added To Treasury Rate	25		
Notes due 2020 4.375% Interest [Member] | Unsecured Debt [Member]			
Debt Instrument [Line Items]			
Long Term Debt Face Value	250		
Stated interest rate	4.375%		
Effective interest rate	5.10%		

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Notes due 2020 5.125% Interest [Member]		
Debt Instrument [Line Items]		
Long Term Debt Face Value		300
Long-term Debt, Excluding Current Maturities	299	299
Percentage of principal amount to be paid upon redemption	100.00%	
Basis Points Added To Treasury Rate	25	
Notes due 2020 5.125% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Maturity Date	Jun. 15, 2020	
Stated interest rate	5.125%	
Effective interest rate	5.36%	
Notes due 2021 6.37% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	78	78
Notes due 2021 6.37% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	6.37%	
Notes Due 2021 4.5% Interest [Member]		
Debt Instrument [Line Items]		
Long Term Debt Face Value	300	
Long-term Debt, Excluding Current Maturities	299	298
Notes Due 2021 4.5% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Maturity Date	Mar. 15, 2021	
Stated interest rate	4.50%	
Effective interest rate	4.683%	
Percentage of principal amount to be paid upon redemption	100.00%	
Basis Points Added To Treasury Rate	20	

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Notes due 2022 4% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	743	743
Notes due 2022 4% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Maturity Date	Feb. 15, 2022	
Long Term Debt Face Value	750	
Stated interest rate	4.00%	
Effective interest rate	4.346%	
Percentage of principal amount to be paid upon redemption	100.00%	
Basis Points Added To Treasury Rate	35	
Notes due 2022 4% Interest [Member] | Unsecured Debt [Member] | Proceeds from debt used to fund acquisition [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Issuance Date	2011-11-10	
Notes due 2023 7.65% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	100	100
Notes due 2023 7.65% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	7.65%	
Notes due 2023 8.3% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	17	17
Notes due 2023 8.3% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	8.30%	
Debentures due 2027 7.875% Interest [Member]		

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Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	300	300
Debentures due 2027 7.875% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	7.875%	
Step Down Notes Due 2033 8.3% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	83	83
Step Down Notes Due 2033 8.3% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	8.30%	
Notes due 2036 6.15% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	500	500
Notes due 2036 6.15% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Stated interest rate	6.15%	
Notes Due 2041 5.875% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	298	298
Notes Due 2041 5.875% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Maturity Date	Mar. 15, 2041	
Long Term Debt Face Value	300	
Stated interest rate	5.875%	
Effective interest rate	6.008%	
Percentage of principal amount to be paid upon redemption	100.00%	
Basis Points Added To Treasury Rate	25	

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Notes due 2042 5.375% Interest [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	750	750
Notes due 2042 5.375% Interest [Member] | Unsecured Debt [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Maturity Date	Feb. 15, 2042	
Long Term Debt Face Value	750	
Stated interest rate	5.375%	
Effective interest rate	5.542%	
Percentage of principal amount to be paid upon redemption	100.00%	
Basis Points Added To Treasury Rate	40	
Notes due 2042 5.375% Interest [Member] | Unsecured Debt [Member] | Proceeds from debt used to fund acquisition [Member]		
Debt Instrument [Line Items]		
Debt Instrument, Issuance Date	2011-11-10	
Other Long Term Debt [Member]		
Debt Instrument [Line Items]		
Long-term Debt, Excluding Current Maturities	$ 38	$ 43

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Fair Value Measurements (Details - Not Carried at Fair Value) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Fair Value Balance Sheet Grouping Financial Statement Captions [Line Items]		
Commercial Mortgage Loans	$ 2,851	$ 3,301
Percent Unrestricted Contractholder Deposit Funds	55.00%	
Estimate Of Fair Value Fair Value Disclosure [Member] | Fair Value Inputs Level 2 [Member]		
Fair Value Balance Sheet Grouping Financial Statement Captions [Line Items]		
Long-term debt, including current maturities, excluding capital leases	5,821	5,319
Estimate Of Fair Value Fair Value Disclosure [Member] | Fair Value Inputs Level 3 [Member]		
Fair Value Balance Sheet Grouping Financial Statement Captions [Line Items]		
Commercial Mortgage Loans	2,999	3,380
Contractholder deposit funds, excluding universal life products	1,082	1,056
Carrying Reported Amount Fair Value Disclosure [Member] | Fair Value Inputs Level 2 [Member]		
Fair Value Balance Sheet Grouping Financial Statement Captions [Line Items]		
Long-term debt, including current maturities, excluding capital leases	4,986	4,984
Carrying Reported Amount Fair Value Disclosure [Member] | Fair Value Inputs Level 3 [Member]		
Fair Value Balance Sheet Grouping Financial Statement Captions [Line Items]		
Commercial Mortgage Loans	2,851	3,301
Contractholder deposit funds, excluding universal life products	$ 1,056	$ 1,035

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Fair Value Measurements (Details - Separate Account Assets) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Financial assets and financial liabilities carried at fair value [Line Items]		
Guaranteed separate accounts	$ 569	$ 1,688
Non-guaranteed separate accounts	7,188 [1]	6,405 [2]
Total separate account assets	7,757	8,093
Separate Accounts [Member]		
Changes in Level 3 Financial Assets and Financial Liabilities Caried at Fair Value [Line Items]		
Balance at January 1,	750	594
Policyholder gains (losses)	55 [3]	114 [4]
Purchases, issuances, settlements:		
Purchases	283	257
Sales	(6)	(51)
Settlements	(90)	(152)
Total purchases, sales, settlements	187	54
Transfers into/(out of) Level 3:		
Transfers into Level 3	17	4
Transfers out of Level 3	(4)	(16)
Total transfers into/(out of) Level 3	13	(12)
Balance at December 31,	1,005	750
Policyholder Gains Losses Attributable To Instruments Still Held	49	96
Pension Benefits [Member]		
Financial assets and financial liabilities carried at fair value [Line Items]		
Non-guaranteed separate accounts	3,400	3,000
Fair Value Inputs Level 1 [Member]		
Financial assets and financial liabilities carried at fair value [Line Items]		
Guaranteed separate accounts	245	249
Non-guaranteed separate accounts	1,925 [1]	1,804 [2]
Total separate account assets	2,170	2,053
Fair Value Inputs Level 2 [Member]		
Financial assets and financial liabilities carried at fair value [Line Items]		
Guaranteed separate accounts	324	1,439
Non-guaranteed separate accounts	4,258 [1]	3,851 [2]
Total separate account assets	4,582	5,290
Fair Value Inputs Level 3 [Member]		
Financial assets and financial liabilities carried at fair value [Line Items]		
Guaranteed separate accounts	0	0
Non-guaranteed separate accounts	1,005 [1]	750 [2]
Total separate account assets	1,005	750

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Fair Value Inputs Level 3 [Member] | Pension Benefits [Member]

Financial assets and financial liabilities carried at fair value [Line Items]		
Non-guaranteed separate accounts	$ 956	$ 702

[1] As of December 31, 2012, non-guaranteed separate accounts included $3.4 billion in assets supporting the Company's pension plans, including $956 million classified in Level 3.

[2] As of December 31, 2011, non-guaranteed separate accounts included $3.0 billion in assets supporting the Company's pension plans, including $702 million classified in Level 3.

[3] Included in this amount are gains of $49 million attributable to instruments still held at the reporting date.

[4] Included in this amount are gains of $96 million attributable to instruments still held at the reporting date.

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Schedule IV - Reinsurance (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Reinsurance Premiums for Insurance Companies, by Product Segment, Net Amount [Abstract]			
Gross amount	$ 26,188	$ 19,219	$ 18,179
Ceded to other companies	469	447	437
Assumed from other companies	468	194	532
Net amount	26,187	18,966	18,274
Percentage of amount assumed to net	1.80%	1.00%	2.90%
Life Insurance in Force [Member]			
Reinsurance Premiums for Insurance Companies, by Product Segment, Net Amount [Abstract]			
Gross amount	710,140	606,587	566,841
Ceded to other companies	52,435	53,088	44,335
Assumed from other companies	8,168	9,163	9,734
Net amount	665,873	562,662	532,240
Percentage of amount assumed to net	1.20%	1.60%	1.80%
Life Insurance Segment [Member]			
Reinsurance Premiums for Insurance Companies, by Product Segment, Net Amount [Abstract]			
Gross amount	2,025	1,990	2,026
Ceded to other companies	268	280	264
Assumed from other companies	29	40	107
Net amount	1,786	1,750	1,869
Percentage of amount assumed to net	1.60%	2.30%	5.70%
Accident and Health Insurance Segment [Member]			
Reinsurance Premiums for Insurance Companies, by Product Segment, Net Amount [Abstract]			
Gross amount	24,163	17,229	16,153
Ceded to other companies	201	167	173
Assumed from other companies	439	154	425
Net amount	$ 24,401	$ 17,216	$ 16,405
Percentage of amount assumed to net	1.80%	0.90%	2.60%

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Schedule II - Condensed Financial Information (Details) (USD $) Share data in Thousands, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended			14 Months Ended
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Feb. 28, 2013
Benefits and Expenses												
Other operating expenses									$ 7,455,000,000	$ 6,062,000,000	$ 5,869,000,000	
(Income) from discontinued operations									0	0	0	
Shareholders' net income	406,000,000 [1]	466,000,000 [2]	380,000,000 [3]	371,000,000 [4]	273,000,000 [5]	183,000,000 [6]	391,000,000 [7]	413,000,000 [8]	1,623,000,000	1,260,000,000	1,279,000,000	
Net unrealized appreciation (deprecation) on securities:												
Net unrealized appreciation (depreciation), fixed maturities									144,000,000	210,000,000	151,000,000	
Net unrealized appreciation (depreciation), equity securities									3,000,000	(2,000,000)	(1,000,000)	
Net unrealized appreciation (depreciation) on securities									147,000,000	208,000,000	150,000,000	
Net unrealized appreciation (depreciation), derivatives									(5,000,000)	1,000,000	6,000,000	
Net translation of foreign currencies									66,000,000	(22,000,000)	33,000,000	
Increase (decrease) to postretirement benefits liability adjustement after-tax									92,000,000	360,000,000	189,000,000	
Shareholders' other comprehensive income (loss)									116,000,000	(173,000,000)	0	
Shareholders' comprehensive income									1,739,000,000	1,087,000,000	1,279,000,000	
Assets												
Cash and cash equivalents	2,978,000,000				4,690,000,000				2,978,000,000	4,690,000,000	1,605,000,000	
Other assets, including other intangibles	2,355,000,000				1,750,000,000				2,355,000,000	1,750,000,000		
Total assets	53,734,000,000				50,697,000,000				53,734,000,000	50,697,000,000		
Liabilities Abstract												
Short-term debt	201,000,000				104,000,000				201,000,000	104,000,000		
Long-term debt	4,986,000,000				4,990,000,000				4,986,000,000	4,990,000,000		
Total liabilities	43,851,000,000				42,703,000,000				43,851,000,000	42,703,000,000		
Shareholders Equity [Abstract]												
Common stock (par value per share, $0.25; shares issued,366; authorized, 600)	92,000,000				92,000,000				92,000,000	92,000,000		
Additional paid-in capital	3,295,000,000				3,188,000,000				3,295,000,000	3,188,000,000		
Accumulated Other Comprehensive Income Loss Available For Sale Fixed Securities Adjustment Net Of Tax	883,000,000				739,000,000				883,000,000	739,000,000		
Accumulated Other Comprehensive Income Loss Available For Sale Equity Securities Adjustment Net Of Tax	4,000,000				1,000,000				4,000,000	1,000,000		
Net unrealized depreciation, derivatives	(28,000,000)				(23,000,000)				(28,000,000)	(23,000,000)		
Net translation foreign currencies	69,000,000				3,000,000				69,000,000	3,000,000		
Postretirement benefits liability adjustment	1,599,000,000				1,507,000,000				1,599,000,000	1,507,000,000		
Accumulated other comprehensive loss	(671,000,000)				(787,000,000)				(671,000,000)	(787,000,000)		
Retained earnings (BS)	12,330,000,000				10,787,000,000				12,330,000,000	10,787,000,000		
Less treasury stock, at cost	5,277,000,000				5,286,000,000				5,277,000,000	5,286,000,000		
Total shareholders' equity	9,769,000,000				7,994,000,000				9,769,000,000	7,994,000,000		
Total liabilities and equity	53,734,000,000				50,697,000,000				53,734,000,000	50,697,000,000		
Consolidated Statements of Cash Flows												
Shareholders' net income	406,000,000 [1]	466,000,000 [2]	380,000,000 [3]	371,000,000 [4]	273,000,000 [5]	183,000,000 [6]	391,000,000 [7]	413,000,000 [8]	1,623,000,000	1,260,000,000	1,279,000,000	
(Income) from discontinued operations									0	0	0	
Accounts payable accrued expenses and other liabilities									(132,000,000)	344,000,000	(272,000,000)	
Other, net									(28,000,000)	30,000,000	(5,000,000)	
Net cash provided by operating activities									2,350,000,000	1,491,000,000	1,743,000,000	
Net change in short-term debt									98,000,000	0	0	
Net proceeds on issuance of long-term debt									0	2,676,000,000	543,000,000	
Repayment of long-term debt									326,000,000	451,000,000	270,000,000	
Issuance of common stock									121,000,000	734,000,000	64,000,000	
Common dividends paid									11,000,000	11,000,000	11,000,000	
Payments For Repurchase Of Common Stock									208,000,000	225,000,000	201,000,000	208,000,000
Net cash provided by financing activities									(228,000,000)	2,867,000,000	274,000,000	
Net increase in cash and cash equivalents									(1,712,000,000)	3,085,000,000	681,000,000	
Cash and cash equivalents, beginning of year				4,690,000,000				1,605,000,000	4,690,000,000	1,605,000,000	924,000,000	4,690,000,000

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Cash and cash equivalents, end of year	2,978,000,000	4,690,000,000	2,978,000,000	4,690,000,000	1,605,000,000
Debt Details Table [Abstract]					
Commercial Paper Outstanding	200,000,000	100,000,000	200,000,000	100,000,000	
Current maturities of long-term debt	1,000,000	4,000,000	1,000,000	4,000,000	
Total short-term debt	201,000,000	104,000,000	201,000,000	104,000,000	
Long-term Debt, Excluding Current Maturities	4,986,000,000	4,990,000,000	4,986,000,000	4,990,000,000	
Notes To Condensed Statements Details [Abstract]					
Credit Facility Remaining Borrowing Capacity	5,300,000,000		5,300,000,000		
Short-term and Long-term Debt Outstanding	5,200,000,000		5,200,000,000		
Repayments Of Debt				449,000,000	
Future Maturities of Debt and Capital Leases in 2012	1,000,000		1,000,000		
Future Maturities of Debt and Capital Leases in 2013	23,000,000		23,000,000		
Future Maturities of Debt and Capital Leases in 2014	0		0		
Future Maturities of Debt and Capital Leases in 2015	600,000,000		600,000,000		
Future Maturities of Debt and Capital Leases in 2016	250,000,000		250,000,000		
Long Term Debt Maturities Repayments Of Principal And Capital Leases After Year Five	remainder		remainder		
Interest Expense on Long-term Debt, Short-term Debt and Capital Leases			268,000,000	202,000,000	182,000,000
Proceeds From Issuance Of Common Stock Net				629,000,000	
Proceeds From Issuance Of Common Stock Gross				650,000,000	
Stock Issued During Period, Shares, New Issues			0	15,200	
Cost of Common Stock Issued Per Share		$ 42.75		$ 42.75	
Interest paid			248,000,000	185,000,000	180,000,000
Notes due 2016 2.75% Interest [Member]					
Liabilities Abstract					
Long-term debt	600,000,000	600,000,000	600,000,000	600,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	600,000,000	600,000,000	600,000,000	600,000,000	
Notes due 2016 2.75% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value	600,000,000		600,000,000		
Debt Instrument Interest Rate Stated Percentage	2.75%		2.75%		
Percentage of principal amount to be paid upon redemption			100.00%		
Basis Points Added To Treasury Rate			30		
Debt Instrument Interest Rate Basis Effective Rate	2.936%		2.936%		
Notes due 2017 5.375% Interest [Member]					
Liabilities Abstract					
Long-term debt	250,000,000	250,000,000	250,000,000	250,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	250,000,000	250,000,000	250,000,000	250,000,000	
Notes due 2017 5.375% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage	5.375%		5.375%		
Notes due 2018 6.35% Interest [Member]					
Liabilities Abstract					
Long-term debt	131,000,000	131,000,000	131,000,000	131,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	131,000,000	131,000,000	131,000,000	131,000,000	
Notes due 2018 6.35% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					

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Debt Instrument Interest Rate Stated Percentage	6.35%		6.35%		
Basis Points Added To Treasury Rate					45
Repayments Of Debt					198,000,000
Debt Tender Pricing Yield					3.923%
Amount Of Debt Tendered					169,000,000
Gain (loss) on extinquishment of debt, net of tax					18,000,000
Notes due 2019 8.5% Interest [Member]					
Liabilities Abstract					
Long-term debt	251,000,000	251,000,000	251,000,000	251,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	251,000,000	251,000,000	251,000,000	251,000,000	
Notes To Condensed Statements Details [Abstract]					
Debt Tender Pricing Yield					4.128%
Notes due 2019 8.5% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage	8.50%		8.50%		
Basis Points Added To Treasury Rate					100.00
Repayments Of Debt					130,000,000
Amount Of Debt Tendered					99,000,000
Gain (loss) on extinquishment of debt, net of tax					21,000,000
Notes due 2020 4.375% Interest [Member]					
Liabilities Abstract					
Long-term debt	249,000,000	249,000,000	249,000,000	249,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	249,000,000	249,000,000	249,000,000	249,000,000	
Notes To Condensed Statements Details [Abstract]					
Percentage of principal amount to be paid upon redemption			100.00%		
Basis Points Added To Treasury Rate			25		
Notes due 2020 4.375% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value	250,000,000		250,000,000		
Debt Instrument Interest Rate Stated Percentage	4.375%		4.375%		
Debt Instrument Interest Rate Basis Effective Rate	5.10%		5.10%		
Notes due 2020 5.125% Interest [Member]					
Liabilities Abstract					
Long-term debt	299,000,000	299,000,000	299,000,000	299,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	299,000,000	299,000,000	299,000,000	299,000,000	
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value		300,000,000		300,000,000	
Percentage of principal amount to be paid upon redemption			100.00%		
Basis Points Added To Treasury Rate			25		
Notes due 2020 5.125% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage	5.125%		5.125%		
Debt Instrument Interest Rate Basis Effective Rate	5.36%		5.36%		
Notes Due 2021 4.5% Interest [Member]					
Liabilities Abstract					
Long-term debt	299,000,000	298,000,000	299,000,000	298,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	299,000,000	298,000,000	299,000,000	298,000,000	

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Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	300,000,000		300,000,000	
Notes Due 2021 4.5% Interest [Member] | Unsecured Debt [Member]				
Notes To Condensed Statements Details [Abstract]				
Debt Instrument Interest Rate Stated Percentage	4.50%		4.50%	
Percentage of principal amount to be paid upon redemption			100.00%	
Basis Points Added To Treasury Rate			20	
Debt Instrument Interest Rate Basis Effective Rate	4.683%		4.683%	
Notes due 2022 4% Interest [Member]				
Liabilities Abstract				
Long-term debt	743,000,000	743,000,000	743,000,000	743,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	743,000,000	743,000,000	743,000,000	743,000,000
Notes due 2022 4% Interest [Member] | Unsecured Debt [Member]				
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	750,000,000		750,000,000	
Debt Instrument Interest Rate Stated Percentage	4.00%		4.00%	
Percentage of principal amount to be paid upon redemption			100.00%	
Basis Points Added To Treasury Rate			35	
Debt Instrument Interest Rate Basis Effective Rate	4.346%		4.346%	
Notes due 2023 7.65% Interest [Member]				
Liabilities Abstract				
Long-term debt	100,000,000	100,000,000	100,000,000	100,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	100,000,000	100,000,000	100,000,000	100,000,000
Notes due 2023 7.65% Interest [Member] | Unsecured Debt [Member]				
Notes To Condensed Statements Details [Abstract]				
Debt Instrument Interest Rate Stated Percentage	7.65%		7.65%	
Notes due 2023 8.3% Interest [Member]				
Liabilities Abstract				
Long-term debt	17,000,000	17,000,000	17,000,000	17,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	17,000,000	17,000,000	17,000,000	17,000,000
Notes due 2023 8.3% Interest [Member] | Unsecured Debt [Member]				
Notes To Condensed Statements Details [Abstract]				
Debt Instrument Interest Rate Stated Percentage	8.30%		8.30%	
Debentures due 2027 7.875% Interest [Member]				
Liabilities Abstract				
Long-term debt	300,000,000	300,000,000	300,000,000	300,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	300,000,000	300,000,000	300,000,000	300,000,000
Debentures due 2027 7.875% Interest [Member] | Unsecured Debt [Member]				
Notes To Condensed Statements Details [Abstract]				
Debt Instrument Interest Rate Stated Percentage	7.875%		7.875%	
Step Down Notes Due 2033 8.3% Interest [Member]				
Liabilities Abstract				
Long-term debt	83,000,000	83,000,000	83,000,000	83,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	83,000,000	83,000,000	83,000,000	83,000,000

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Step Down Notes Due 2033 8.3% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage	8.30%		8.30%		
Notes due 2036 6.15% Interest [Member]					
Liabilities Abstract					
Long-term debt	500,000,000	500,000,000	500,000,000	500,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	500,000,000	500,000,000	500,000,000	500,000,000	
Notes due 2036 6.15% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage	6.15%		6.15%		
Notes Due 2041 5.875% Interest [Member]					
Liabilities Abstract					
Long-term debt	298,000,000	298,000,000	298,000,000	298,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	298,000,000	298,000,000	298,000,000	298,000,000	
Notes Due 2041 5.875% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value	300,000,000		300,000,000		
Debt Instrument Interest Rate Stated Percentage	5.875%		5.875%		
Percentage of principal amount to be paid upon redemption			100.00%		
Basis Points Added To Treasury Rate			25		
Debt Instrument Interest Rate Basis Effective Rate	6.008%		6.008%		
Notes due 2042 5.375% Interest [Member]					
Liabilities Abstract					
Long-term debt	750,000,000	750,000,000	750,000,000	750,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	750,000,000	750,000,000	750,000,000	750,000,000	
Notes due 2042 5.375% Interest [Member] | Unsecured Debt [Member]					
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value	750,000,000		750,000,000		
Debt Instrument Interest Rate Stated Percentage	5.375%		5.375%		
Percentage of principal amount to be paid upon redemption			100.00%		
Basis Points Added To Treasury Rate			40		
Debt Instrument Interest Rate Basis Effective Rate	5.542%		5.542%		
Parent Company [Member]					
Benefits and Expenses					
Interest Expense			262,000,000	195,000,000	176,000,000
Intercompany Interest Expense			0	19,000,000	26,000,000
Other operating expenses			190,000,000	92,000,000	129,000,000
Operating Expenses			452,000,000	306,000,000	331,000,000
Operating Income (Loss)			(452,000,000)	(306,000,000)	(331,000,000)
Total Parent Company Tax Benefit			(143,000,000)	(107,000,000)	(106,000,000)
Loss Of Parent Company			(309,000,000)	(199,000,000)	(225,000,000)
Equity In Income Of Subsidiaries From Continuing Operations			1,932,000,000	1,459,000,000	1,504,000,000
Shareholders' net income			1,623,000,000	1,260,000,000	1,279,000,000
Assets					
Cash and cash equivalents	115,000,000	0	115,000,000	0	0
Investments in and Advances to Affiliates, Amount of Equity	16,125,000,000	14,606,000,000	16,125,000,000	14,606,000,000	
Due from Affiliates	37,000,000	29,000,000	37,000,000	29,000,000	
Other assets, including other intangibles	729,000,000	793,000,000	729,000,000	793,000,000	
Total assets	17,006,000,000	15,428,000,000	17,006,000,000	15,428,000,000	
Liabilities Abstract					
Due to Affiliate	289,000,000	489,000,000	289,000,000	489,000,000	

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Short-term debt	200,000,000		100,000,000		200,000,000	100,000,000		
Long-term debt	4,870,000,000		4,869,000,000		4,870,000,000	4,869,000,000		
Nonrecourse obligations	1,878,000,000		1,976,000,000		1,878,000,000	1,976,000,000		
Total liabilities	7,237,000,000		7,434,000,000		7,237,000,000	7,434,000,000		
Shareholders Equity [Abstract]								
Common stock (par value per share, $0.25; shares issued,366; authorized, 600)	92,000,000		92,000,000		92,000,000	92,000,000		
Additional paid-in capital	3,295,000,000		3,188,000,000		3,295,000,000	3,188,000,000		
Accumulated Other Comprehensive Income Loss Available For Sale Fixed Securities Adjustment Net Of Tax	883,000,000		739,000,000		883,000,000	739,000,000		
Accumulated Other Comprehensive Income Loss Available For Sale Equity Securities Adjustment Net Of Tax	4,000,000		1,000,000		4,000,000	1,000,000		
Net unrealized depreciation, derivatives	(28,000,000)		(23,000,000)		(28,000,000)	(23,000,000)		
Net translation foreign currencies	69,000,000		3,000,000		69,000,000	3,000,000		
Postretirement benefits liability adjustment	(1,599,000,000)		(1,507,000,000)		(1,599,000,000)	(1,507,000,000)		
Retained earnings (BS)	12,330,000,000		10,787,000,000		12,330,000,000	10,787,000,000		
Less treasury stock, at cost	(5,277,000,000)		(5,286,000,000)		(5,277,000,000)	(5,286,000,000)		
Total shareholders' equity	9,769,000,000		7,994,000,000		9,769,000,000	7,994,000,000		
Total liabilities and equity	17,006,000,000		15,428,000,000		17,006,000,000	15,428,000,000		
Consolidated Statements of Cash Flows								
Shareholders' net income					1,623,000,000	1,260,000,000	1,279,000,000	
Equity In Income Of Subsidiaries					(1,932,000,000)	(1,459,000,000)	(1,504,000,000)	
Cash Dividends Paid to Parent Company by Consolidated Subsidiaries					671,000,000	1,135,000,000	1,050,000,000	
Accounts payable accrued expenses and other liabilities					(213,000,000)	(296,000,000)	(294,000,000)	
Other, net					191,000,000	(92,000,000)	158,000,000	
Increase (Decrease) in Due to Affiliates					(208,000,000)	(3,258,000,000)	(816,000,000)	
Other Investing Net					(19,000,000)			
Net change in short-term debt					100,000,000		0	
Net proceeds on issuance of long-term debt					0	2,661,000,000	543,000,000	
Repayment of long-term debt					0	(449,000,000)	(268,000,000)	
Issuance of common stock					121,000,000	734,000,000	64,000,000	
Common dividends paid					(11,000,000)	(11,000,000)	(11,000,000)	
Payments For Repurchase Of Common Stock					(208,000,000)	(225,000,000)	(201,000,000)	
Net increase in cash and cash equivalents					115,000,000	0	0	
Cash and cash equivalents, beginning of year		0		0	0	0	0	0
Cash and cash equivalents, end of year	115,000,000		0		115,000,000	0	0	
Debt Details Table [Abstract]								
Commercial Paper Outstanding	200,000,000		100,000,000		200,000,000	100,000,000		
Current maturities of long-term debt	0		0		0	0		
Total short-term debt	200,000,000		100,000,000		200,000,000	100,000,000		
Long-term Debt, Excluding Current Maturities	4,870,000,000		4,869,000,000		4,870,000,000	4,869,000,000		
Notes To Condensed Statements Details [Abstract]								
Revolving Credit And Letter Of Credit Agreement Term					5 years			
Revolving Credit And Letter Of Credit Agreement	1,500,000,000				1,500,000,000			
Lettersof Credit Current Borrowing Capacity	500,000,000				500,000,000			
Number Of Banks Participating In Revolving Credit And Letter Of Credit Agreement	16				16			
Line of Credit Facility, Optional Maximum Borrowing Capacity	2,000,000,000				2,000,000,000			
Credit Facility Remaining Borrowing Capacity	5,300,000,000				5,300,000,000			
Short-term and Long-term Debt Outstanding	5,200,000,000				5,200,000,000			
Letters of Credit Outstanding, Amount	66,000,000				66,000,000			
Future Maturities of Debt and Capital Leases in 2012	0				0			
Future Maturities of Debt and Capital Leases in 2013	0				0			
Future Maturities of Debt and Capital Leases in 2014	0				0			

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Future Maturities of Debt and Capital Leases in 2015	600,000,000		600,000,000		
Future Maturities of Debt and Capital Leases in 2016	250,000,000		250,000,000		
Long Term Debt Maturities Repayments Of Principal And Capital Leases After Year Five	remainder		remainder		
Interest Expense on Long-term Debt, Short-term Debt and Capital Leases			262,000,000	195,000,000	176,000,000
Bank letter of credit arranged for reinsurance subsidiary	3,000,000		3,000,000		
Payment guarantee on surety bonds obtained by subsidiaries	28,000,000		28,000,000		
Letter of credit required by insurer of high-deductible self-insurance program	12,000,000		12,000,000		
Solvency guarantee required by regulators for Insurance subsidiaries	34,000,000		34,000,000		
Bank letter of credit arranged for subsidiary	50,000,000		50,000,000		
Guarantee on reserve related to assumed reinsurance business of subsidiary	43,000,000		43,000,000		
Proceeds From Issuance Of Common Stock Net			629,000,000		
Proceeds From Issuance Of Common Stock Gross			650,000,000		
Stock Issued During Period, Shares, New Issues			15,200		
Cost of Common Stock Issued Per Share	$ 42.75		$ 42.75		
Average Interest Rate On Intercompany Loan			0.71%	0.63%	
Interest paid			242,000,000	179,000,000	175,000,000
Parent Company [Member] | Notes due 2016 2.75% Interest [Member]					
Liabilities Abstract					
Long-term debt	600,000,000	600,000,000	600,000,000	600,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	600,000,000	600,000,000	600,000,000	600,000,000	
Notes To Condensed Statements Details [Abstract]					
Long Term Debt Face Value	600,000,000		600,000,000		
Debt Instrument Interest Rate Stated Percentage	2.75%		2.75%		
Basis Points Added To Treasury Rate			30		
Debt Instrument Interest Rate Basis Effective Rate	2.93%		2.93%		
Parent Company [Member] | Notes due 2017 5.375% Interest [Member]					
Liabilities Abstract					
Long-term debt	250,000,000	250,000,000	250,000,000	250,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	250,000,000	250,000,000	250,000,000	250,000,000	
Parent Company [Member] | Notes due 2018 6.35% Interest [Member]					
Liabilities Abstract					
Long-term debt	131,000,000	131,000,000	131,000,000	131,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	131,000,000	131,000,000	131,000,000	131,000,000	
Notes To Condensed Statements Details [Abstract]					
Debt Instrument Interest Rate Stated Percentage		6.35%		6.35%	
Basis Points Added To Treasury Rate				45	
Repayments Of Debt				198,000,000	
Debt Tender Pricing Yield				3.923%	
Amount Of Debt Tendered				169,000,000	
Gain (loss) on extinguishment of debt, net of tax				18,000,000	
Parent Company [Member] | Notes due 2019 8.5% Interest [Member]					
Liabilities Abstract					
Long-term debt	251,000,000	251,000,000	251,000,000	251,000,000	
Debt Details Table [Abstract]					
Long-term Debt, Excluding Current Maturities	251,000,000	251,000,000	251,000,000	251,000,000	
Notes To Condensed Statements Details [Abstract]					

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Debt Instrument Interest Rate Stated Percentage		8.50%		8.50%
Basis Points Added To Treasury Rate				100.00
Repayments Of Debt				130,000,000
Debt Tender Pricing Yield				4.128%
Amount Of Debt Tendered				99,000,000
Gain (loss) on extinquishment of debt, net of tax				21,000,000
Parent Company [Member] | Notes due 2020 4.375% Interest [Member]				
Liabilities Abstract				
Long-term debt	249,000,000	249,000,000	249,000,000	249,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	249,000,000	249,000,000	249,000,000	249,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value		250,000,000		250,000,000
Debt Instrument Interest Rate Stated Percentage		4.375%		4.375%
Debt Instrument Interest Rate Basis Effective Rate		5.10%		5.10%
Parent Company [Member] | Notes due 2020 5.125% Interest [Member]				
Liabilities Abstract				
Long-term debt	299,000,000	299,000,000	299,000,000	299,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	299,000,000	299,000,000	299,000,000	299,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value		300,000,000		300,000,000
Debt Instrument Interest Rate Stated Percentage		5.125%		5.125%
Debt Instrument Interest Rate Basis Effective Rate		5.36%		5.36%
Parent Company [Member] | Notes Due 2021 4.5% Interest [Member]				
Liabilities Abstract				
Long-term debt	299,000,000	298,000,000	299,000,000	298,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	299,000,000	298,000,000	299,000,000	298,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	300,000,000		300,000,000	
Debt Instrument Interest Rate Stated Percentage	4.50%		4.50%	
Basis Points Added To Treasury Rate			20	
Debt Instrument Interest Rate Basis Effective Rate	4.683%		4.683%	
Parent Company [Member] | Notes due 2022 4% Interest [Member]				
Liabilities Abstract				
Long-term debt	743,000,000	743,000,000	743,000,000	743,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	743,000,000	743,000,000	743,000,000	743,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	750,000,000		750,000,000	
Debt Instrument Interest Rate Stated Percentage	4.00%		4.00%	
Basis Points Added To Treasury Rate			35	
Debt Instrument Interest Rate Basis Effective Rate	4.346%		4.346%	
Parent Company [Member] | Notes due 2023 7.65% Interest [Member]				
Liabilities Abstract				
Long-term debt	100,000,000	100,000,000	100,000,000	100,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	100,000,000	100,000,000	100,000,000	100,000,000
Parent Company [Member] | Notes due 2023 8.3% Interest [Member]				
Liabilities Abstract				
Long-term debt	17,000,000	17,000,000	17,000,000	17,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	17,000,000	17,000,000	17,000,000	17,000,000

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Parent Company [Member] | Debentures due 2027 7.875% Interest [Member]				
Liabilities Abstract				
Long-term debt	300,000,000	300,000,000	300,000,000	300,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	300,000,000	300,000,000	300,000,000	300,000,000
Parent Company [Member] | Step Down Notes Due 2033 8.3% Interest [Member]				
Liabilities Abstract				
Long-term debt	83,000,000	83,000,000	83,000,000	83,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	83,000,000	83,000,000	83,000,000	83,000,000
Parent Company [Member] | Notes due 2036 6.15% Interest [Member]				
Liabilities Abstract				
Long-term debt	500,000,000	500,000,000	500,000,000	500,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	500,000,000	500,000,000	500,000,000	500,000,000
Parent Company [Member] | Notes Due 2041 5.875% Interest [Member]				
Liabilities Abstract				
Long-term debt	298,000,000	298,000,000	298,000,000	298,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	298,000,000	298,000,000	298,000,000	298,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	300,000,000		300,000,000	
Debt Instrument Interest Rate Stated Percentage	5.875%		5.875%	
Basis Points Added To Treasury Rate			25	
Debt Instrument Interest Rate Basis Effective Rate	6.008%		6.008%	
Parent Company [Member] | Notes due 2042 5.375% Interest [Member]				
Liabilities Abstract				
Long-term debt	750,000,000	750,000,000	750,000,000	750,000,000
Debt Details Table [Abstract]				
Long-term Debt, Excluding Current Maturities	750,000,000	750,000,000	750,000,000	750,000,000
Notes To Condensed Statements Details [Abstract]				
Long Term Debt Face Value	$ 750,000,000		$ 750,000,000	
Debt Instrument Interest Rate Stated Percentage	5.375%		5.375%	
Basis Points Added To Treasury Rate			40	
Debt Instrument Interest Rate Basis Effective Rate	5.542%		5.542%	

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Document and Entity Information (USD $) In Millions, except Share data, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Jan. 31, 2013
Document Document And Entity Information [Abstract]		
Document Type	10-K	
Document Period End Date	Dec. 31, 2012	
Entity Registrant Name	CIGNA Corporation	
Entity Central Index Key	0000701221	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Large Accelerated Filer	
Trading Symbol	CI	
Entity Common Stock Shares Outstanding		285,954,499
Amendment Flag	false	
Entity Current Reporting Status	Yes	
Entity Well Known Seasoned Issuer	Yes	
Entity Voluntary Filers	No	
Entity Public Float	$ 15,280	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	FY	

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Pension and Other Postretirement Benefit Plans	12 Months Ended Dec. 31, 2012

Pension and Other Postretirement Benefit Plans

Pension and Other Postretirement Benefit Plans

Note 10 — Pension and Other Postretirement Benefit Plans

- **Pension and Other Postretirement Benefit Plans**

The Company and certain of its subsidiaries provide pension, health care and life insurance defined benefits to eligible retired employees, spouses and other eligible dependents through various domestic and foreign plans. The effect of its foreign pension and other postretirement benefit plans is immaterial to the Company's results of operations, liquidity and financial position. Effective July 1, 2009, the Company froze its primary domestic defined benefit pension plans.

The Company measures the assets and liabilities of its domestic pension and other postretirement benefit plans as of December 31. The following table summarizes the projected benefit obligations and assets related to the Company's domestic and international pension and other postretirement benefit plans as of, and for the year ended, December 31:

	Pension Benefits		Other Postretirement Benefits	
(In millions)	**2012**	2011	**2012**	2011
Change in benefit obligation				
Benefit obligation, January 1	**$ 5,067**	$ 4,691	**$ 452**	$ 444
Service cost	**3**	2	**2**	2
Interest cost	**198**	228	**16**	20
(Gain) loss from past experience	**283**	453	**(2)**	16
Benefits paid from plan assets	**(256)**	(273)	**(3)**	(2)
Benefits paid - other	**(28)**	(34)	**(23)**	(28)
Benefit obligation, December 31	**5,267**	5,067	**442**	452
Change in plan assets				
Fair value of plan assets, January 1	**3,298**	3,163	**22**	23
Actual return on plan assets	**370**	156	**1**	1
Benefits paid	**(256)**	(273)	**(3)**	(2)
Contributions	**253**	252	**-**	-
Fair value of plan assets, December 31	**3,665**	3,298	**20**	22
Funded Status	**$ (1,602)**	$ (1,769)	**$ (422)**	$ (430)

The postretirement benefits liability adjustment included in accumulated other comprehensive loss consisted of the following as of December 31:

	Pension Benefits		Other Postretirement Benefits	
(In millions)	**2012**	2011	**2012**	2011
Unrecognized net loss	**$ (2,450)**	$ (2,331)	**$ (28)**	$ (30)
Unrecognized prior service cost	**(5)**	(5)	**23**	35
Postretirement benefits liability adjustment	**$ (2,455)**	$ (2,336)	**$ (5)**	$ 5

During 2012, the Company's postretirement benefits liability adjustment increased by $129 million pre-tax ($92 million after-tax) resulting in a decrease to shareholders' equity. The increase in the liability was primarily due to a decrease in the discount rate, partially offset by actual investment returns greater than expected in 2012.

Pension benefits. The Company's pension plans were underfunded by $1.6 billion in 2012 and $1.8 billion in 2011 and had related accumulated benefit obligations of $5.3 billion as of December 31, 2012 and $5.1 billion as of December 31, 2011.

The Company funds its qualified pension plans at least at the minimum amount required by the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006. For 2013, the Company expects to make minimum required and voluntary contributions totaling approximately $250 million. Future years' contributions will ultimately be based on a wide range of factors including but not limited to asset returns, discount rates, and funding targets.

Components of net pension cost for the years ended December 31 were as follows:

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(In millions)	**2012**	2011	2010
Service cost	**$ 3**	$ 2	$ 2
Interest cost	**198**	228	240
Expected long-term return on plan assets	**(270)**	(267)	(253)
Amortization of:			
Net loss from past experience	**58**	38	28
Settlement loss	**6**	-	-
Net pension cost	**$ (5)**	$ 1	$ 17

The Company expects to recognize pre-tax losses of $75 million in 2013 from amortization of past experience. This estimate is based on a weighted average amortization period for the frozen and inactive plans of approximately 28 years, that is based on the average expected remaining life of plan participants.

Other postretirement benefits. Unfunded retiree health benefit plans had accumulated benefit obligations of $294 million at December 31, 2012, and $302 million at December 31, 2011. Retiree life insurance plans had accumulated benefit obligations of $148 million as of December 31, 2012 and $150 million as of December 31, 2011.

Components of net other postretirement benefit cost for the years ended December 31 were as follows:

(In millions)	**2012**	2011	2010
Service cost	**$ 2**	$ 2	$ 1
Interest cost	**16**	20	22
Expected long-term return on plan assets	**(1)**	(1)	(1)
Amortization of:			
Prior service cost	**(12)**	(16)	(18)
Net other postretirement benefit cost	**$ 5**	$ 5	$ 4

The Company expects to recognize in 2013 pre-tax gains of $9 million related to amortization of prior service cost and no pre-tax losses from amortization of past experience. The original amortization period is based on an average remaining service period of active employees associated with the other postretirement benefit plans of approximately 11 years. The weighted average remaining amortization period for prior service cost is approximately 2.5 years.

The estimated rate of future increases in the per capita cost of health care benefits is 7.5% in 2013, decreasing by 0.5% per year to 5% in 2018 and beyond. This estimate reflects the Company's current claim experience and management's estimate that rates of growth will decline in the future. A 1% increase or decrease in the estimated rate would have changed 2012 reported amounts as follows:

(In millions)	**Increase**	**Decrease**
Effect on total service and interest cost	$ -	$ -
Effect on postretirement benefit obligation	$ 12	$ 10

Plan assets. The Company's current target investment allocation percentages (37% equity securities, 30% fixed income, 15% securities partnerships, 10% hedge funds and 8% real estate) are developed by management as guidelines, although the fair values of each asset category are expected to vary as a result of changes in market conditions. The pension plan asset portfolio has continued to include a significant allocation of equity securities, consisting of domestic and international investments, in an effort to earn a higher rate of return on pension plan investments over the long-term payout period of the pension benefit obligations. As funding levels improve, the Company would expect to gradually reduce the allocation to equity securities and move into fixed income to mitigate the volatility in returns, while also providing adequate liquidity to fund benefit distributions. The timing of any updates in allocation is not certain.

As of December 31, 2012, pension plan assets included $3.4 billion invested in the separate accounts of Connecticut General Life Insurance Company ("CGLIC") and Life Insurance Company of North America, that are subsidiaries of the Company, as well as an additional $300 million invested directly in funds offered by the buyer of the retirement benefits business.

The fair values of plan assets by category and by the fair value hierarchy as defined by GAAP are as follows. See Note 11 for a description of how fair value is determined, including the level within the fair value hierarchy and the procedures the Company uses to validate fair value measurements.

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December 31, 2012

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	$ -	$ 4	$ -	$ 4
Corporate	-	416	27	443
Mortgage and other asset-backed	-	8	5	13
Fund investments and pooled separate accounts (1)	-	519	3	522
Total fixed maturities	-	947	35	982
Equity securities:				
Domestic	1,202	4	10	1,216
International, including funds and pooled separate accounts (1)	158	149	-	307
Total equity securities	1,360	153	10	1,523
Real estate and mortgage loans, including pooled separate accounts (1)	-	-	351	351
Securities partnerships	-	-	328	328
Hedge funds	-	-	327	327
Guaranteed deposit account contract	-	-	47	47
Cash equivalents	-	107	-	107
Total plan assets at fair value	$ 1,360	$ 1,207	$ 1,098	$ 3,665

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

December 31, 2011

(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	$ -	$ 5	$ -	$ 5
Corporate	-	332	7	339
Mortgage and other asset-backed	-	8	2	10
Fund investments and pooled separate accounts (1)	-	546	3	549
Total fixed maturities	-	891	12	903
Equity securities:				
Domestic	1,153	1	14	1,168
International, including funds and pooled separate accounts (1)	141	137	-	278
Total equity securities	1,294	138	14	1,446
Real estate and mortgage loans, including pooled separate accounts (1)	-	-	303	303
Securities partnerships	-	-	314	314
Hedge Fund	-	-	148	148
Guaranteed deposit account contract	-	-	39	39
Cash equivalents	-	145	-	145
Total plan assets at fair value	$ 1,294	$ 1,174	$ 830	$ 3,298

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

Plan assets in Level 1 include exchange-listed equity securities. Level 2 assets primarily include:

- fixed income and international equity funds priced using their daily net asset value that is the exit price; and

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- fixed maturities valued using recent trades of similar securities or pricing models as described below.

Because many fixed maturities do not trade daily, fair values are often derived using recent trades of securities with similar features and characteristics. When recent trades are not available, pricing models are used to determine these prices. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset.

Plan assets classified in Level 3 include securities partnerships, equity real estate and hedge funds generally valued based on the pension plan's ownership share of the equity of the investee including changes in the fair values of its underlying investments.

The following table summarizes the changes in pension plan assets classified in Level 3 for the years ended December 31, 2012 and December 31, 2011. Actual return on plan assets in this table may include changes in fair value that are attributable to both observable and unobservable inputs.

(In millions)	Fixed Maturities & Equity Securities	Real Estate & Mortgage Loans	Securities Partnerships	Hedge Funds	Guaranteed Deposit Account Contract	Total
Balance at January 1, 2012	**$ 26**	**$ 303**	**$ 314**	**$ 148**	**$ 39**	**$ 830**
Actual return on plan assets:						
Assets still held at the reporting date	**-**	**38**	**18**	**10**	**3**	**69**
Assets sold during the period	**-**	**-**	**-**	**-**	**-**	**-**
Total actual return on plan assets	**-**	**38**	**18**	**10**	**3**	**69**
Purchases, sales, settlements, net	**5**	**11**	**(4)**	**169**	**5**	**186**
Transfers into/out of Level 3	**13**	**-**	**-**	**-**	**-**	**13**
Balance at December 31, 2012	**$ 44**	**$ 352**	**$ 328**	**$ 327**	**$ 47**	**$ 1,098**

(In millions)	Fixed Maturities & Equity Securities	Real Estate & Mortgage Loans	Securities Partnerships	Hedge Fund	Guaranteed Deposit Account Contract	Total
Balance at January 1, 2011	$ 46	$ 240	$ 347	$ -	$ 24	$ 657
Actual return on plan assets:						
Assets still held at the reporting date	1	44	66	(2)	3	112
Assets sold during the period	18	-	-	-	-	18
Total actual return on plan assets	19	44	66	(2)	3	130
Purchases, sales, settlements, net	(33)	21	(99)	150	12	51
Transfers into/out of Level 3	(6)	(2)	-	-	-	(8)
Balance at December 31, 2011	$ 26	$ 303	$ 314	$ 148	$ 39	$ 830

The assets related to other postretirement benefit plans are invested in deposit funds with interest credited based on fixed income investments in the general account of CGLIC. As there are significant unobservable inputs used in determining the fair value of these assets, they are classified as Level 3. During 2012, these assets earned a return of $1 million, offset by a net withdrawal from the fund of $3 million, while during 2011, they earned a return of $1 million, offset by a net withdrawal of $2 million.

Assumptions for pension and other postretirement benefit plans. Management determined the present value of the projected benefit obligation and the accumulated other postretirement benefit obligation and related benefit costs based on the following weighted average assumptions as of and for the years ended December 31:

	2012	2011
Discount rate:		
Pension benefit obligation	**3.50%**	4.00%
Other postretirement benefit obligation	**3.25%**	3.75%
Pension benefit cost	**4.00%**	5.00%
Other postretirement benefit cost	**3.75%**	4.75%
Expected long-term return on plan assets:		
Pension benefit cost	**8.00%**	8.00%
Other postretirement benefit cost	**5.00%**	5.00%

In measuring the 2012 benefit obligations, the Company set discount rates by applying actual annualized yields at various durations from the Citigroup Above-Median Pension Liability curve to the expected cash flows of the postretirement benefits liabilities. Prior to 2012, the Company used the broader Cititgroup Pension Liability curve. The Company believes that the Citigroup Above-Median Pension Liability

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curve is more representative of the yields that the Company is able to achieve in its plan asset investment strategy. The curve uses an array of bonds in various industries throughout the domestic market for high quality bonds, but only selects those for the curve that have an above median return at each duration. As with the broader curve, Citigroup monitors the bond portfolio to ensure that only high quality issues are included. In setting its discount rate for 2012, the Company reviewed alternative indices and determined that they were not materially different than the result produced by the Citigroup Above-Median curve.

Expected long-term rates of return on plan assets were developed considering actual long-term historical returns, expected long-term market conditions, plan asset mix and management's investment strategy, that continues a significant allocation to domestic and foreign equity securities as well as real estate, securities partnerships and hedge funds. Expected long-term market conditions take into consideration certain key macroeconomic trends including expected domestic and foreign GDP growth, employment levels and inflation. Based on the Company's current outlook, the expected return assumption is considered reasonable.

To measure pension costs, the Company uses a market-related asset valuation for domestic pension plan assets invested in non-fixed income investments. The market-related value of these pension assets recognizes the difference between actual and expected long-term returns in the portfolio over 5 years, a method that reduces the short-term impact of market fluctuations on pension cost. At December 31, 2012, the market-related asset value was approximately $3.5 billion compared with a market value of approximately $3.6 billion.

Benefit payments. The following benefit payments, including expected future services, are expected to be paid in:

(In millions)	Pension Benefits		Other Postretirement Benefits	
2013	**$**	**396**	**$**	**35**
2014	**$**	**342**	**$**	**36**
2015	**$**	**333**	**$**	**36**
2016	**$**	**331**	**$**	**35**
2017	**$**	**332**	**$**	**34**
2018-2022	**$**	**1,630**	**$**	**149**

B. 401(k) Plans

The Company sponsors a 401(k) plan in which the Company matches a portion of employees' pre-tax contributions. Another 401(k) plan with an employer match was frozen in 1999. Participants in the active plan may invest in various funds that invest in the Company's common stock, several diversified stock funds, a bond fund or a fixed-income fund. In conjunction with the action to freeze the domestic defined benefit pension plans, effective January 1, 2010, the Company increased its matching contributions to 401(k) plan participants.

The Company may elect to increase its matching contributions if the Company's annual performance meets certain targets. A substantial amount of the Company's matching contributions are invested in the Company's common stock. The Company's expense for these plans was $78 million for 2012, $72 million for 2011 and $69 million for 2010.

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Property Plant and Equipment Net (USD $) In Millions, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011
Property Plant And Equipment [Line Items]		
Cost	$ 3,153	$ 2,885
Accumulated amortization	2,033	1,861
Total property and equipment	1,120	1,024
Internal-use software [Member]		
Property Plant And Equipment [Line Items]		
Cost	1,738	1,600
Accumulated amortization	1,191	1,054
Total property and equipment	547	546
Other property and equipment [Member]		
Property Plant And Equipment [Line Items]		
Cost	1,415	1,285
Accumulated amortization	842	807
Total property and equipment	$ 573	$ 478

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Fair Value Measurements (Details - Changes in Level 3) (General Accounts [Member], USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
GMIB Liabilities [Member]		
Fair Value, Liabilities Measured on Recurring Basis, Unobservable Input Reconciliation [Line Items]		
Balance at January 1,	$ (1,333)	$ (903)
Gains (losses) included in shareholders' net income:		
GMIB fair value gain/(loss)	96	(504)
Other	0	0
Total gains (losses) included in shareholders' net income	96	(504)
Gains (losses) included in other comprehensive income	0	0
Gains (losses) required to adjust future policy benefits for settlement annuities	0	0
Purchases, issuances, settlements:		
Purchases	0	0
Sales	0	0
Settlements	67	74
Total purchases, sales, and settlements	67	74
Transfers into/(out of) Level 3:		
Transfer into Level 3	0	0
Transfers out of Level 3	0	0
Transfers into/(out of) Level 3	0	0
Balance at December 31,	(1,170)	(1,333)
Total gains (losses) included in income attributable to instruments held at the reporting date	96	(504)
GMIB Net [Member]		
Fair Value, Liabilities Measured on Recurring Basis, Unobservable Input Reconciliation [Line Items]		
Balance at January 1,	(621)	(423)
Gains (losses) included in shareholders' net income:		
GMIB fair value gain/(loss)	41	(234)
Other	0	0
Total gains (losses) included in shareholders' net income	41	(234)
Gains (losses) included in other comprehensive income	0	0
Gains (losses) required to adjust future policy benefits for settlement annuities	0	0
Purchases, issuances, settlements:		
Purchases	0	0
Sales	0	0
Settlements	32	36
Total purchases, sales, and settlements	32	36
Transfers into/(out of) Level 3:		

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Transfer into Level 3	0	0
Transfers out of Level 3	0	0
Transfers into/(out of) Level 3	0	0
Balance at December 31,	(548)	(621)
Total gains (losses) included in income attributable to instruments held at the reporting date	41	(234)
Fixed Maturities And Equity Securities [Member]		
Fair Value Assets Measured On Recurring Basis Unobservable Input Reconciliation [Line Items]		
Balance at January 1,	1,002	933
Gains (losses) included in shareholders' net income:		
GMIB fair value gain/(loss)	0	0
Other	13	10
Total gains (losses) included in shareholders' net income	13	10
Gains (losses) included in other comprehensive income	8	7
Gains (losses) required to adjust future policy benefits for settlement annuities	(10)	41
Purchases, issuances, settlements:		
Purchases	188	129
Sales	(1)	(20)
Settlements	(88)	(61)
Total purchases, sales, settlements	99	48
Transfers into/(out of) Level 3:		
Transfers into Level 3	283	81
Transfers out of Level 3	(44)	(118)
Total transfers into/(out of) Level 3	239	(37)
Balance at December 31,	1,351	1,002
Total gains (losses) included in income attributable to instruments held at the reporting date	(1)	6
GMIB Assets [Member]		
Fair Value Assets Measured On Recurring Basis Unobservable Input Reconciliation [Line Items]		
Balance at January 1,	712	480
Gains (losses) included in shareholders' net income:		
GMIB fair value gain/(loss)	(55)	270
Other	0	0
Total gains (losses) included in shareholders' net income	(55)	270
Gains (losses) included in other comprehensive income	0	0
Gains (losses) required to adjust future policy benefits for settlement annuities	0	0
Purchases, issuances, settlements:		
Purchases	0	0
Sales	0	0
Settlements	(35)	(38)
Total purchases, sales, settlements	(35)	(38)
Transfers into/(out of) Level 3:		
Transfers into Level 3	0	0

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Transfers out of Level 3	0	0
Total transfers into/(out of) Level 3	0	0
Balance at December 31,	622	712
Total gains (losses) included in income attributable to instruments held at the reporting date	$ (55)	$ 270

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Consolidated Statements of Comprehensive Income (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Statement Of Comprehensive Income [Abstract]			
Shareholders' Net Income	$ 1,623	$ 1,260	$ 1,279
Net unrealized appreciation (deprecation) on securities:			
Net unrealized appreciation (depreciation), fixed maturities	144	210	151
Net unrealized appreciation (depreciation), equity securities	3	(2)	(1)
Net unrealized appreciation (depreciation) on securities	147	208	150
Net unrealized appreciation (depreciation), derivatives	(5)	1	6
Net translation of foreign currencies	66	(22)	33
Postretirement benefits liability adjustment	(92)	(360)	(189)
Shareholders' other comprehensive income (loss)	116	(173)	0
Shareholders' comprehensive income	1,739	1,087	1,279
Comprehensive income attributable to noncontrolling interest:			
Net income attributable to redeemable noncontrolling interest	1	0	0
Net income attributable to other noncontrolling interest	0	1	4
Other comprehensive income attributable to redeemable noncontrolling interest	2	0	0
Other comprehensive income attributable to other noncontrolling interest	0	0	2
Total comprehensive income	$ 1,742	$ 1,088	$ 1,285

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Earnings Per Share	12 Months Ended Dec. 31, 2012
Earnings Per Share [Abstract]	
Earnings Per Share	**Note 4 — Earnings Per Share**

Basic and diluted earnings per share were computed as follows:

(Dollars in millions, except per share amounts)	Basic	Effect of Dilution	Diluted
2012			
Shareholders' net income	**$ 1,623**	**$ -**	**$ 1,623**
Shares *(in thousands):*			
Weighted average	**284,819**	**-**	**284,819**
Common stock equivalents		**4,711**	**4,711**
Total shares	**284,819**	**4,711**	**289,530**
EPS	**$ 5.70**	**$ (0.09)**	**$ 5.61**
2011			
Shareholders' net income	$ 1,260	$ -	$ 1,260
Shares *(in thousands):*			
Weighted average	270,691	-	270,691
Common stock equivalents		3,558	3,558
Total shares	270,691	3,558	274,249
EPS	$ 4.65	$ (0.06)	$ 4.59
2010			
Shareholders' net income	$ 1,279	$ -	$ 1,279
Shares *(in thousands):*			
Weighted average	272,866	-	272,866
Common stock equivalents		2,421	2,421
Total shares	272,866	2,421	275,287
EPS	$ 4.69	$ (0.04)	$ 4.65

The following outstanding employee stock options were not included in the computation of diluted earnings per share because their effect would have increased diluted earnings per share (antidilutive) as their exercise price was greater than the average share price of the Company's common stock for the period.

(In millions)	**2012**	2011	2010
Antidilutive options	**2.5**	3.7	6.3

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Acquisitions	12 Months Ended Dec. 31, 2012
Acquisitions And Dispositions [Abstract]	
Acquisitions and Dispositions	**Note 3 — Acquisitions and Dispositions**

The Company may from time to time acquire or dispose of assets, subsidiaries or lines of business. Significant transactions are described below.

- **Joint Venture Agreement with Finansbank**

On November 9, 2012, the Company acquired 51% of the total shares of Finans Emeklilik ve Hayat A.S. ("Finans Emeklilik"), a Turkish insurance company, from Finansbank A.S. ("Finansbank"), a Turkish retail bank, for a cash purchase price of approximately $116 million. Finansbank continues to hold 49% of the total shares. Finans Emeklilik operates in life insurance, accident insurance and pension product markets. The acquisition provides Cigna opportunities to reach and serve the growing middle class market in Turkey through Finansbank's network of retail banking branches.

In accordance with GAAP, the total purchase price, including the redeemable noncontrolling interest of $111 million, has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair value and may change as additional information becomes available over the next several months. Accordingly, approximately $117 million was allocated to identifiable intangible assets, primarily a distribution relationship and the value of business acquired ("VOBA") that represents the present value of the estimated net cash flows from the long duration contracts in force, with the remaining $113 million allocated to goodwill. The identifiable intangible assets will be amortized over an estimated useful life of approximately 10 years. Goodwill has been provisionally allocated to the Global Supplemental Benefits segment and is not deductible for federal income tax purposes.

The redeemable noncontrolling interest is classified as temporary equity in the Company's Consolidated Balance Sheet because Finansbank has the right to require the Company to purchase its 49% interest for the value of its net assets and the inforce business in 15 years.

The condensed balance sheet at the acquisition date was as follows:

(In millions)		
Investments	$	23
Cash and cash equivalents		54
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)		28
Goodwill		113
Separate account assets		99
Other assets, including other intangibles		100
Total assets acquired		417
Insurance liabilities		58
Accounts payable, accrued expenses and other liabilities		33
Separate account liabilities		99
Total liabilities acquired		190
Redeemable noncontrolling interest		111
Net assets acquired	$	116

The results of Finans Emeklilik are included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the years ended December 31, 2012 and 2011.

- **Acquisition of Great American Supplemental Benefits Group**

On August 31, 2012, the Company acquired Great American Supplemental Benefits Group, one of the largest providers of supplemental health insurance products in the U.S. with cash from internal resources. The Company finalized the purchase price in the first quarter of 2013 that resulted in an increase of $19 million to $326 million. The acquisition provides the Company with an increased presence in the Medicare supplemental benefits market. It also extends the Company's global direct-to-consumer retail channel as well as further enhances

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its distribution network of agents and brokers. Subsequent to the segment reporting changes in 2012, results of this business are reported in the Global Supplemental Benefits segment.

In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair value and may change as additional information becomes available over the next several months. The Company updated its allocation of the purchase price in the fourth quarter of 2012 with the completion of fair valuation procedures for insurance liabilities and the resolution of certain tax matters. These changes resulted in an increase in the allocation to the insurance liabilities by $73 million to $707 million and to the VOBA asset by $73 million to $144 million. In addition, the allocation to tax accounts was increased by $15 million to a $7 million asset. Approximately $168 million was allocated to intangible assets, primarily the VOBA asset that will be amortized in proportion to premium recognized over the life of the contracts that is estimated to be 30 years. Amortization is expected to be higher in early years and decline as policies lapse. Goodwill has been allocated to the Global Supplemental Benefits segment as of December 31, 2012. Substantially all of the goodwill is tax deductible and will be amortized over the next 15 years for federal income tax purposes.

The condensed balance sheet at the acquisition date was as follows:

(In millions)		
Investments	$	211
Cash and cash equivalents		36
Reinsurance recoverables		448
Goodwill		168
Value of business acquired (reported in Deferred policy acquisition costs in the Consolidated Balance Sheet)		144
Other assets, including other intangibles		35
Total assets acquired		1,042
Insurance liabilities		707
Accounts payable, accrued expenses and other liabilities		9
Total liabilities acquired		716
Net assets acquired	$	326

The results of this business have been included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the years ended December 31, 2012 and 2011.

- **Acquisition of HealthSpring, Inc.**

On January 31, 2012 the Company acquired the outstanding shares of HealthSpring, Inc. (“HealthSpring”) for $55 per share in cash and Cigna stock awards, representing a cost of approximately $3.8 billion. HealthSpring provides Medicare Advantage coverage in 13 states and the District of Columbia, as well as a large, national stand-alone Medicare prescription drug business. The acquisition of HealthSpring strengthens the Company's ability to serve individuals across their life stages as well as deepens its presence in a number of geographic markets. The addition of HealthSpring brings industry leading physician partnership capabilities and creates the opportunity to deepen the Company's existing client and customer relationships, as well as facilitates a broader deployment of its range of health and wellness capabilities and product offerings. The Company funded the acquisition with internal cash resources.

***Merger consideration*:** The estimated merger consideration of $3.8 billion was determined as follows:

(In millions, except per share amounts)		
HealthSpring, Inc. common shares outstanding at January 30, 2012		67.8
Less: common shares outstanding not settled in cash		(0.1)
Common shares settled in cash		67.7
Price per share	$	55
Cash consideration for outstanding shares	$	3,725
Fair value of share-based compensation awards		65

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Additional cash and equity consideration		21
Total merger consideration	$	3,811

Fair value of share-based compensation awards. On the date of the acquisition, HealthSpring employees' awards of options and restricted shares of HealthSpring stock were rolled over to Cigna stock options and restricted stock. Each holder of a HealthSpring stock option or restricted stock award received 1.24 Cigna stock options or restricted stock awards. The conversion ratio of 1.24 at the date of acquisition was determined by dividing the acquisition price of HealthSpring shares of $55 per share by the price of Cigna stock on January 31, 2012 of $44.43. The Cigna stock option exercise price was determined by using this same conversion ratio. Vesting periods and the remaining life of the options rolled over with the original HealthSpring awards.

The Company valued the share-based compensation awards as of the acquisition date using Cigna's stock price for restricted stock and a Black-Scholes pricing model for stock options. The assumptions used were generally consistent with those disclosed in Note 21 to the Company's 2012 Consolidated Financial Statements, except the expected life assumption of these options ranged from 1.8 to 4.8 years and the exercise price did not equal the market value at the grant date. Fair value of the new stock options approximated intrinsic value because the exercise price at the acquisition date for substantially all of the options was significantly below Cigna's stock price.

The fair value of these options and restricted stock awards was included in the purchase price to the extent that services had been provided prior to the acquisition based on the grant date of the original HealthSpring awards and vesting periods. The remaining fair value not included in the purchase price will be recorded as compensation expense in future periods over the remaining vesting periods. Most of the expense is expected to be recognized in 2012 and 2013.

The following table summarizes the effect of these rollover awards for former HealthSpring employees.

(Awards in thousands, dollars in millions, except per share amounts)	Number of awards		Average exercise/ award price		Fair value of awards		Included in purchase price		Compensation expense post-acquisition
Vested options	589	$	14.04	$	18	$	18	$	-
Unvested options	1,336	$	16.21		37		28		9
Restricted stock	786	$	44.43		35		19		16
Total	2,711			$	90	$	65	$	25

Purchase price allocation. In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. Subsequent to the segment reporting changes in 2012, goodwill has been allocated to the Government operating segment as of December 31, 2012 and is not deductible for federal income tax purposes. The condensed balance sheet of HealthSpring at the acquisition date was as follows:

(In millions)		
Investments	$	612
Cash and cash equivalents		492
Premiums, accounts and notes receivable		320
Goodwill		2,541
Intangible assets		795
Other		96
Total assets acquired		4,856
Insurance liabilities		505
Deferred income taxes		214
Debt		326
Total liabilities acquired		1,045
Net assets acquired	$	3,811

In accordance with debt covenants, HealthSpring's debt obligation was paid immediately following the acquisition. This repayment is reported as a financing activity in the statement of cash flows for the year ended December 31, 2012.

The estimated fair values and useful lives for intangible assets are as follows:

(Dollars in millions)	Estimated Fair Value	Estimated Useful Life (In Years)

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Customer relationships	$	711	8
Other		84	3-10
Total other intangible assets	$	795	

The fair value of the customer relationship and the amortization method were determined using an income approach that relies on projected future net cash flows including key assumptions for the customer attrition rate and discount rate. The estimated weighted average useful life reflects the time period and pattern of use that Cigna expects for over 90% of the projected benefits. Accordingly, amortization was recorded on an accelerated basis in 2012 and will decline in subsequent years.

The results of HealthSpring have been included in the Company's Consolidated Financial Statements from the date of the acquisition. Revenues of HealthSpring included in the Company's results for the year ended December 31, 2012 were approximately $5.4 billion. During 2012, the Company recorded $53 million pre-tax ($40 million after-tax) of acquisition-related costs in other operating expenses.

Pro forma information. The following table presents selected unaudited pro forma information for the Company assuming the acquisition of HealthSpring had occurred as of January 1, 2011. This pro forma information does not purport to represent what the Company's actual results would have been if the acquisition had occurred as of the date indicated or what such results would be for any future periods.

	Year Ended December 31,			
(In millions, except per share amounts)		2012		2011
Total revenues	$	29,608	$	27,461
Shareholders' net income	$	1,633	$	1,456
Earnings per share:				
Basic	$	5.73	$	5.11
Diluted	$	5.63	$	5.02

- **Acquisition of FirstAssist**

In November 2011, the Company acquired FirstAssist Group Holdings Limited ("FirstAssist") for approximately $115 million in cash. FirstAssist is based in the United Kingdom and provides travel and protection insurance services that the Company expects will enhance its individual business in the U.K. and around the world.

In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. During 2012, the Company updated its allocation of the purchase price based on additional information. Accordingly, the allocation to identifiable intangible assets was decreased by $18 million to $40 million. The allocation to goodwill was increased by $8 million to $64 million. Subsequent to the segment reporting changes in 2012, goodwill has been reported in the Global Supplemental Benefits segment.

The results of FirstAssist are included in the Company's Consolidated Financial Statements from the date of acquisition. The pro forma effects on total revenues and net income assuming the acquisition had occurred as of January 1, 2011 were not material to the Company for the year ended December 31, 2011.

- **Reinsurance of Run-off Workers' Compensation and Personal Accident Business**

On December 31, 2010, the Company essentially exited from its workers' compensation and personal accident reinsurance business by purchasing retrocessional coverage from a Bermuda subsidiary of Enstar Group Limited and transferring administration of this business to the reinsurer. Under the reinsurance agreement, Cigna is indemnified for liabilities with respect to its workers' compensation and personal accident reinsurance business to the extent that these liabilities do not exceed 190% of the December 31, 2010 net reserves. The Company believes that the risk of loss beyond this maximum aggregate is remote. The reinsurance arrangement is secured by assets held in trust. Cash consideration paid to the reinsurer was $190 million. The net effect of this transaction was an after-tax loss of $20 million ($31 million pre-tax), primarily reported in other operating expenses in the Run-off Reinsurance segment.

- **Acquisition of Vanbreda International**

On August 31, 2010, the Company acquired 100% of the voting stock of Vanbreda International NV (Vanbreda International), based in Antwerp, Belgium for a cash purchase price of $412 million. Vanbreda International specializes in providing worldwide medical insurance and employee benefits to intergovernmental and non-governmental organizations, including international humanitarian operations, as well as corporate clients. Vanbreda International's market leadership in the intergovernmental segment complements the Company's position in providing global health benefits primarily to multinational companies and organizations and their globally mobile employees in North America, Europe, the Middle East and Asia.

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In accordance with GAAP, the total purchase price has been allocated to the tangible and intangible net assets acquired based on management's estimates of their fair values. Accordingly, approximately $210 million was allocated to intangible assets, primarily customer relationships. The weighted average amortization period is 15 years.

Subsequent to the segment reporting changes in 2012, goodwill has been allocated to the Commercial operating segment. For foreign tax purposes, the acquisition of Vanbreda International was treated as a stock purchase. Accordingly, goodwill and other intangible assets will not be amortized for foreign tax purposes but may reduce the taxability of earnings repatriated to the U.S. by Vanbreda International.

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Investment Income and Gains and Losses	12 Months Ended Dec. 31, 2012
Investment Income And Gains And Losses [Abstract]	
Investment Income and Gains and Losses	**Note 15— Investment Income and Gains and Losses**

- **Net Investment Income**

The components of pre-tax net investment income for the years ended December 31 were as follows:

(In millions)	**2012**	2011	2010
Fixed maturities	**$ 843**	$ 817	$ 788
Equity securities	**4**	6	6
Commercial mortgage loans	**192**	218	221
Policy loans	**74**	86	90
Real estate	**(2)**	(2)	(2)
Other long-term investments	**59**	48	29
Short-term investments and cash	**14**	10	11
	1,184	1,183	1,143
Less investment expenses	**40**	37	38
Net investment income	**$ 1,144**	$ 1,146	$ 1,105

Net investment income for separate accounts (that is not reflected in the Company's revenues) was $181 million for 2012, $207 million for 2011, and $163 million for 2010.

B. Realized Investment Gains and Losses

The following realized gains and losses on investments for the years ended December 31 exclude amounts required to adjust future policy benefits for the run-off settlement annuity business.

(In millions)	**2012**	2011	2010
Fixed maturities	**$ 48**	$ 50	$ 87
Equity securities	**4**	(1)	5
Commercial mortgage loans	**(9)**	(16)	(23)
Real estate	**(1)**	(6)	3
Other investments, including derivatives	**2**	35	3
Realized investment gains (losses), before income taxes	**44**	62	75
Less income taxes (benefits)	**13**	21	25
Net realized investment gains (losses)	**$ 31**	$ 41	$ 50

Included in pre-tax realized investment gains (losses) above were asset write-downs and changes in valuation reserves as follows:

(in millions)	**2012**	2011	2010
Credit related (1)	**$ (20)**	$ (28)	$ (38)
Other	**(2)**	(25)	(1)
Total	**$ (22)**	$ (53)	$ (39)

(1) Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.

The Company recognized pre-tax gains of $5 million in 2012, compared with pre-tax losses of $7 million in 2011 and pre-tax gains of $7 million in 2010 on hybrid securities.

Realized investment gains in 2011 in other investments, including derivatives, represent primarily gains on sale of real estate properties held in joint ventures.

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Realized investment gains that are not reflected in the Company's revenues for the years ended December 31 were as follows:

(In millions)	2012	2011	2010
Separate accounts	**$ 206**	$ 210	$ 191
Investment gains required to adjust future policy benefits for the run-off settlement annuity business	**$ 21**	$ 8	$ 18

Sales information for available-for-sale fixed maturities and equity securities, for the years ended December 31 were as follows:

(In millions)	2012	2011	2010
Proceeds from sales	**$ 591**	$ 876	$ 826
Gross gains on sales	**$ 37**	$ 53	$ 46
Gross losses on sales	**$ (2)**	$ (7)	$ (3)

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Fair Value Measurements	12 Months Ended Dec. 31, 2012
Fair Value Measurements [Abstract]	
Fair value measurements	

Note 11 — Fair Value Measurements

The Company carries certain financial instruments at fair value in the financial statements including fixed maturities, equity securities, short-term investments and derivatives. Other financial instruments are measured at fair value under certain conditions, such as when impaired.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

The Company's financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by GAAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level of input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

The Company is responsible for determining fair value, as well as the appropriate level within the fair value hierarchy, based on the significance of unobservable inputs. The Company reviews methodologies and processes of third-party pricing services and compares prices on a test basis to those obtained from other external pricing sources or internal estimates. The Company performs ongoing analyses of both prices received from third-party pricing services and those developed internally to determine that they represent appropriate estimates of fair value. These analyses include reviewing to ensure that prices do not become stale and whether changes from prior valuations are reasonable or require additional review. The Company also performs sample testing of sales values to confirm the accuracy of prior fair value estimates. Exceptions identified during these processes indicate that adjustments to prices are infrequent and do not significantly impact valuations.

Financial Assets and Financial Liabilities Carried at Fair Value

The following tables provide information as of December 31, 2012 and December 31, 2011 about the Company's financial assets and liabilities carried at fair value. Similar disclosures for separate account assets, that are also recorded at fair value on the Company's Consolidated Balance Sheets, are provided separately as gains and losses related to these assets generally accrue directly to policyholders. In addition, Note 10 contains similar disclosures for the Company's pension plan assets.

December 31, 2012

(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Financial assets at fair value:				
Fixed maturities:				
Federal government and agency	$ 156	$ 746	$ -	$ 902
State and local government	-	2,437	-	2,437
Foreign government	-	1,298	24	1,322
Corporate	-	11,201	695	11,896
Federal agency mortgage-backed	-	122	-	122
Other mortgage-backed	-	88	1	89
Other asset-backed	-	340	597	937
Total fixed maturities (1)	156	16,232	1,317	17,705
Equity securities	4	73	34	111
Subtotal	160	16,305	1,351	17,816
Short-term investments	-	154	-	154
GMIB assets (2)	-	-	622	622
Other derivative assets (3)	-	41	-	41
Total financial assets at fair value, excluding separate accounts	$ 160	$ 16,500	$ 1,973	$ 18,633
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,170	$ 1,170
Other derivative liabilities (3)	-	31	-	31
Total financial liabilities at fair value	$ -	$ 31	$ 1,170	$ 1,201

(1) Fixed maturities included $875 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $108 million of appreciation for securities classified in Level 3.

(2) The GMIB assets represent retrocessional contracts in place from two external reinsurers that cover 55% of the exposures on these contracts. Effective February 4, 2013, the Company reinsured the remaining 45% of the exposures on these contracts.

(3) Other derivative assets included $5 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $36 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.

December 31, 2011

(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Financial assets at fair value:				
Fixed maturities:				

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	Level 1	Level 2	Level 3	Total
Federal government and agency	$ 217	$ 738	$ 3	$ 958
State and local government	-	2,456	-	2,456
Foreign government	-	1,251	23	1,274
Corporate	-	10,132	381	10,513
Federal agency mortgage-backed	-	9	-	9
Other mortgage-backed	-	79	1	80
Other asset-backed	-	363	564	927
Total fixed maturities (1)	217	15,028	972	16,217
Equity securities	3	67	30	100
Subtotal	220	15,095	1,002	16,317
Short-term investments	-	225	-	225
GMIB assets (2)	-	-	712	712
Other derivative assets (3)	-	45	-	45
Total financial assets at fair value, excluding separate accounts	$ 220	$ 15,365	$ 1,714	$ 17,299
Financial liabilities at fair value:				
GMIB liabilities	$ -	$ -	$ 1,333	$ 1,333
Other derivative liabilities (3)	-	30	-	30
Total financial liabilities at fair value	$ -	$ 30	$ 1,333	$ 1,363

(1) Fixed maturities included $826 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $115 million of appreciation for securities classified in Level 3.

(2) The GMIB assets represent retrocessional contracts in place from two external reinsurers which cover 55% of the exposures on these contracts.
(3) Other derivative assets included $10 million of interest rate and foreign currency swaps qualifying as cash flow hedges and $35 million of interest rate swaps not designated as accounting hedges. Other derivative liabilities reflected foreign currency and interest rate swaps qualifying as cash flow hedges. See Note 13 for additional information.

Level 1 Financial Assets

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.

Assets in Level 1 include actively-traded U.S. government bonds and exchange-listed equity securities. Given the narrow definition of Level 1 and the Company's investment asset strategy to maximize investment returns, a relatively small portion of the Company's investment assets are classified in this category.

Level 2 Financial Assets and Financial Liabilities

Inputs for instruments classified in Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant.

Fixed maturities and equity securities. Approximately 91% of the Company's investments in fixed maturities and equity securities are classified in Level 2 including most public and private corporate debt and equity securities, federal agency and municipal bonds, non-government mortgage-backed securities and preferred stocks. Because many fixed maturities do not trade daily, third-party pricing services and internal methods often use recent trades of securities with similar features and characteristics. When recent trades are not available, pricing models are used to determine these prices. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities, based on the credit quality, industry and structure of the asset. Typical inputs and assumptions to pricing models include, but are not limited to, a combination of benchmark yields, reported trades, issuer spreads, liquidity, benchmark securities, bids, offers, reference data, and industry and economic events. For mortgage-backed securities, inputs and assumptions may also include characteristics of the issuer, collateral attributes, prepayment speeds and credit rating.

Nearly all of these instruments are valued using recent trades or pricing models. Less than 1% of the fair value of investments classified in Level 2 represents foreign bonds that are valued, consistent with local market practice, using a single unadjusted market-observable input derived by averaging multiple broker-dealer quotes.

Short-term investments are carried at fair value, that approximates cost. On a regular basis the Company compares market prices for these securities to recorded amounts to validate that current carrying amounts approximate exit prices. The short-term nature of the investments and corroboration of the reported amounts over the holding period support their classification in Level 2.

Other derivatives classified in Level 2 represent over-the-counter instruments such as interest rate and foreign currency swap contracts. Fair values for these instruments are determined using market observable inputs including forward currency and interest rate curves and widely published market observable indices. Credit risk related to the counterparty and the Company is considered when estimating the fair values of these derivatives. However, the Company is largely protected by collateral arrangements with counterparties, and determined that no adjustment for credit risk was required as of December 31, 2012 or December 31, 2011. The nature and use of these other derivatives are described in Note 13.

Level 3 Financial Assets and Financial Liabilities

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and are significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Company classifies certain newly-issued, privately-placed, complex or illiquid securities, as well as assets and liabilities relating to GMIB, in Level 3.

Fixed maturities and equity securities. Approximately 8% of fixed maturities and equity securities are priced using significant unobservable inputs and classified in this category, including:

(In millions)	**December 31, 2012**	December 31, 2011
Other asset and mortgage-backed securities - valued using pricing models	**$ 598**	$ 565
Corporate and government fixed maturities - valued using pricing models	**596**	335
Corporate fixed maturities - valued at transaction price	**123**	72
Equity securities - valued at transaction price	**34**	30
Total	**$ 1,351**	$ 1,002

Fair values of other asset and mortgage-backed securities, corporate and government fixed maturities are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. For other asset and mortgage-backed securities, inputs and assumptions to pricing may also include collateral attributes and prepayment speeds. Recent trades in the subject security or similar securities are assessed when available, and the Company may also review published research, as well as the issuer's financial statements, in its evaluation. Approximately 10% of fixed maturities

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classified in level 3 represent single, unadjusted, non-binding broker quotes that are not considered market observable. Certain subordinated corporate fixed maturities and private equity investments, representing approximately 10% of securities included in level 3, are valued at transaction price in the absence of market data indicating a change in the estimated fair values.

Quantitative Information about Unobservable Inputs

The following table summarizes the fair value and significant unobservable inputs used in pricing Level 3 securities that were developed directly by the Company as of December 31, 2012. The range and weighted average basis point amounts reflect the Company's best estimates of the unobservable adjustments a market participant would make to the market observable spreads (adjustment to discount rates) used to calculate the fair values in a discounted cash flow analysis.

Other asset and mortgage-backed securities. The significant unobservable inputs used to value the following other asset and mortgage-backed securities are liquidity and weighting of credit spreads. An adjustment for liquidity is made as of the measurement date when there is limited trading activity for the security that considers current market conditions, issuer circumstances and complexity of the security structure. An adjustment to weight credit spreads is needed to value a more complex bond structure with multiple underlying collateral with no standard market valuation technique. The weighting of credit spreads is primarily based on the underlying collateral's characteristics and their proportional cash flows supporting the bond obligations. The resulting wide range of unobservable adjustments in the table below is due to the varying liquidity and quality of the underlying collateral, ranging from high credit quality to below investment grade.

Corporate and government fixed maturities. The significant unobservable input used to value the following corporate and government fixed maturities is an adjustment for liquidity. When there is limited trading activity for the security, an adjustment is needed to reflect current market conditions and issuer circumstances.

As of December 31, 2012 *(In millions except basis points)*		Fair Value	Unobservable Input	Unobservable Adjustment to Discount Rates Range (Weighted Average) *in Basis Points*
Other asset and mortgage-backed securities	$	584	**Liquidity**	60 - 410 (140)
			Weighting of credit spreads	50 - 4,540 (410)
Corporate and government fixed maturities	$	439	**Liquidity**	20 - 640 (190)

Significant increases in any of these inputs would result in a lower fair value measurement while decreases in these inputs would result in a higher fair value measurement. Generally, the unobservable inputs are not interrelated and a change in the assumption used for one unobservable input is not accompanied by a change in the other unobservable input. The table does not include all of the Level 3 securities because information about specific unobservable inputs used in pricing all of these securities was not reasonably available to the Company. See preceding discussion regarding the Company's valuation processes and controls.

Guaranteed minimum income benefit contracts. The Company reports liabilities and assets as derivatives at fair value because the cash flows of these contracts are affected by equity markets and interest rates but are without significant life insurance risk and are settled in lump sum payments. The Company estimates the fair value of the assets and liabilities for GMIB contracts using assumptions regarding capital markets (including market returns, interest rates and market volatilities of the underlying equity and bond mutual fund investments), future annuitant behavior (including mortality, lapse, and annuity election rates), and non-performance risk, as well as risk and profit charges. As certain assumptions used to estimate fair values for these contracts are largely unobservable, the Company classifies GMIB assets and liabilities in Level 3. The Company considered the following in determining the view of a hypothetical market participant:

- that the most likely transfer of these assets and liabilities would be through a reinsurance transaction with an independent insurer; and
- that because this block of contracts is in run-off mode, an insurer looking to acquire these contracts would have similar existing contracts with related administrative and risk management capabilities

These GMIB assets and liabilities are calculated with a complex internal model using many scenarios to determine the fair value of net amounts estimated to be paid, less the fair value of net future premiums estimated to be received, adjusted for risk and profit charges that the Company anticipates a hypothetical market participant would require to assume this business. Net amounts estimated to be paid represent the excess of the anticipated value of the income benefits over the values of the annuitants' accounts at the time of annuitization. Assumptions related to future annuitant behavior reflect the Company's belief that a hypothetical market participant would consider the actual and expected experience of the Company as well as other relevant and available industry resources in setting policyholder behavior assumptions. The significant assumptions used to value the GMIB assets and liabilities as of December 31, 2012 were as follows:

Assumptions based on observable inputs*:*

- The market return and discount rate assumptions are based on the market-observable LIBOR swap curve.
- The projected interest rate used to calculate the reinsured income benefits is indexed to the 7-year Treasury Rate at the time of annuitization (claim interest rate) based on contractual terms. That rate was 1.18% at December 31, 2012 and must be projected for future time periods. These projected rates vary by economic scenario and are determined by an interest rate model using current interest rate curves and the prices of instruments available in the market including various interest rate caps and zero-coupon bonds. For a subset of the business, there is a contractually guaranteed floor of 3% for the claim interest rate.

- The market volatility assumptions for annuitants' underlying mutual fund investments that are modeled based on the S&P 500, Russell 2000 and NASDAQ Composite are based on the market-implied volatility for these indices for three to seven years grading to historical volatility levels thereafter. For the remaining 50% of underlying mutual fund investments modeled using other indices (with insufficient market-observable data), volatility is based on the average historical level for each index over the past 10 years. Using this approach, volatility ranges from 18% to 28% for equity funds, 6% to 8% for bond funds, and 0% to 1% for money market funds.

Assumptions based on unobservable inputs:

- The mortality assumption is 70% of the 1994 Group Annuity Mortality table, with 1% annual improvement beginning January 1, 2000.
- The annual lapse rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts, ranges from 0% to 12% at December 31, 2012, and depends on the time since contract issue and the relative value of the guarantee. The weighted average annual lapse rate is 1.8%.
- The annual annuity election rate assumption reflects experience that differs by the company issuing the underlying variable annuity contracts and depends on the annuitant's age, the relative value of the guarantee and whether a contractholder has had a previous opportunity to elect the benefit. Immediately after the expiration of the waiting period, the assumed probability that an individual will annuitize their variable annuity contract is up to 80%. For the second and subsequent annual opportunities to elect the benefit, the assumed probability of election is up to 20%. The weighted average annual annuity election rate is 9%.
    - The nonperformance risk adjustment is incorporated by adding spread to the discount rate in the calculation of both (1) the GMIB liability to reflect a hypothetical market participant's view of the risk of the Company not fulfilling its GMIB obligations, and (2) the GMIB asset to reflect a hypothetical market participant's view of the reinsurers' credit risk, after considering collateral. The estimated market-implied spread is company-specific for each party involved to the extent that company-specific market data is available and is based on industry averages for similarly-rated companies when company-specific data is not available. The spread is impacted by the credit default swap spreads of the specific parent companies, adjusted to reflect subsidiaries' credit ratings relative to their parent company and any available collateral. The additional spread over LIBOR incorporated into the discount rate ranged from 5 to 140 basis

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points for the GMIB liability with a weighted average of 55 basis points and ranged from 15 to 100 basis points for the GMIB reinsurance asset with a weighted average of 65 basis points for that portion of the interest rate curve most relevant to these policies.

- The risk and profit charge assumption is based on the Company's estimate of the capital and return on capital that would be required by a hypothetical market participant. The assumed return on capital is 10% after-tax.

The Company regularly evaluates each of the assumptions used in establishing these assets and liabilities by considering how a hypothetical market participant would set assumptions at each valuation date. Capital markets assumptions are expected to change at each valuation date reflecting currently observable market conditions. Other assumptions may also change based on a hypothetical market participant's view of actual experience as it emerges over time or other factors that impact the net liability. The significant unobservable inputs used in the fair value measurement of the GMIB assets and liabilities are lapse rates, annuity election rates, and spreads used to calculate nonperformance risk. Significant decreases in assumed lapse rates or spreads used to calculate nonperformance risk, or increases in assumed annuity election rates would result in higher fair value measurements. Generally, a change in one of these assumptions is not necessarily accompanied by a change in another assumption.
GMIB liabilities are reported in the Company's Consolidated Balance Sheets in Accounts payable, accrued expenses and other liabilities. GMIB assets associated with these contracts represent net receivables in connection with reinsurance that the Company has purchased from two external reinsurers and are reported in the Company's Consolidated Balance Sheets in Other assets, including other intangibles.

Changes in Level 3 Financial Assets and Financial Liabilities Carried at Fair Value

The following tables summarize the changes in financial assets and financial liabilities classified in Level 3 for the years ended December 31, 2012 and 2011. These tables exclude separate account assets as changes in fair values of these assets accrue directly to policyholders. Gains and losses reported in this table may include net changes in fair value that are attributable to both observable and unobservable inputs.

(In millions)	Fixed Maturities & Equity Securities	GMIB Assets	GMIB Liabilities	GMIB Net
Balance at January 1, 2012	$ 1,002	$ 712	$ (1,333)	$ (621)
Gains (losses) included in shareholders' net income:				
GMIB fair value gain/(loss)	-	(55)	96	41
Other	13	-	-	-
Total gains (losses) included in shareholders' net income	13	(55)	96	41
Gains included in other comprehensive income	8	-	-	-
Losses required to adjust future policy benefits for settlement annuities (1)	(10)	-	-	-
Purchases, issuances, settlements:				
Purchases	188	-	-	-
Sales	(1)	-	-	-
Settlements	(88)	(35)	67	32
Total purchases, sales and settlements	99	(35)	67	32
Transfers into/(out of) Level 3:				
Transfers into Level 3	283	-	-	-
Transfers out of Level 3	(44)	-	-	-
Total transfers into/(out of) Level 3	239	-	-	-
Balance at December 31, 2012	$ 1,351	$ 622	$ (1,170)	$ (548)
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	$ (1)	$ (55)	$ 96	$ 41

(1) Amounts do not accrue to shareholders.

(In millions)	Fixed Maturities & Equity Securities	GMIB Assets	GMIB Liabilities	GMIB Net
Balance at January 1, 2011	$ 933	$ 480	$ (903)	$ (423)
Gains (losses) included in shareholders' net income:				
GMIB fair value gain/(loss)	-	270	(504)	(234)
Other	10	-	-	-
Total gains (losses) included in shareholders' net income	10	270	(504)	(234)
Gains included in other comprehensive income	7	-	-	-
Gains required to adjust future policy benefits for settlement annuities (1)	41	-	-	-
Purchases, issuances, settlements:				
Purchases	129	-	-	-
Sales	(20)	-	-	-
Settlements	(61)	(38)	74	36
Total purchases, sales, and settlements	48	(38)	74	36
Transfers into/(out of) Level 3:				
Transfers into Level 3	81	-	-	-
Transfers out of Level 3	(118)	-	-	-
Total transfers into/(out of) Level 3	(37)	-	-	-
Balance at December 31, 2011	$ 1,002	$ 712	$ (1,333)	$ (621)
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	$ 6	$ 270	$ (504)	$ (234)

(1) Amounts do not accrue to shareholders.

As noted in the tables above, total gains and losses included in shareholders' net income are reflected in the following captions in the Consolidated Statements of Income:

- Realized investment gains (losses) and net investment income for amounts related to fixed maturities and equity securities; and
- GMIB fair value (gain) loss for amounts related to GMIB assets and liabilities.

In the tables above, gains and losses included in other comprehensive income are reflected in Net unrealized appreciation (depreciation) on securities in the Consolidated Statements of Other Comprehensive Income.

Reclassifications impacting Level 3 financial instruments are reported as transfers into or out of the Level 3 category as of the beginning of the quarter in which the transfer occurs. Therefore gains and losses in income only reflect activity for the quarters the instrument was classified in Level 3.

Transfers into or out of the Level 3 category occur when unobservable inputs, such as the Company's best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. For the years ended December 31, 2012 and 2011, transfer activity between Level 3 and Level 2 primarily reflects changes in the level of unobservable inputs used to value certain public and private corporate bonds, principally related to liquidity of the securities and credit risk of the issuers.

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Because GMIB reinsurance arrangements remain in effect at the reporting date, the Company has reflected the total gain or loss for the period as the total gain or loss included in income attributable to instruments still held at the reporting date. However, the Company reduces the GMIB assets and liabilities resulting from these reinsurance arrangements when annuitants lapse, die, elect their benefit, or reach the age after which the right to elect their benefit expires.

Under FASB's guidance for fair value measurements, the Company's GMIB assets and liabilities are expected to be volatile in future periods because the underlying capital markets assumptions will be based largely on market observable inputs at the close of each reporting period including interest rates and market implied volatilities.

Beginning in February 2011, the Company implemented a dynamic equity hedge program to reduce a portion of the equity market exposures related to GMIB contracts ("GMIB equity hedge program") by entering into exchange-traded futures contracts. The Company also entered into a dynamic interest rate hedge program that reduces a portion of the interest rate exposure related to GMIB contracts ("GMIB growth interest rate hedge program") using LIBOR swap contracts and exchange-traded treasury futures contracts. In June 2012, the GMIB equity hedge program was expanded. These hedges were terminated after February 4, 2013 as a result of the reinsurance agreement for the remaining 45% of the risk. See Notes 25 and 13 for further information.

GMIB fair value gains of $41 million for 2012 were primarily due to the effect of increases in underlying account values due to favorable equity markets, updates in the claim exposure calculation based on a review of actual claim amounts compared to projected values in the fair value model and a reduction in the annuitization rates. These favorable effects were partially offset by a reduction in lapse rates and general declines in interest rates.

GMIB fair value losses of $234 million for 2011 were primarily due to a decline in both the interest rate used for projecting claim exposure (7-year Treasury rates) and the rate used for projecting market returns and discounting (LIBOR swap curve).

Separate account assets

Fair values and changes in the fair values of separate account assets generally accrue directly to the policyholders and are excluded from the Company's revenues and expenses. At December 31, separate account assets were as follows:

2012				
(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Guaranteed separate accounts (See Note 24)	**$ 245**	**$ 324**	**$ -**	**$ 569**
Non-guaranteed separate accounts (1)	**1,925**	**4,258**	**1,005**	**7,188**
Total separate account assets	**$ 2,170**	**$ 4,582**	**$ 1,005**	**$ 7,757**

(1) As of December 31, 2012, non-guaranteed separate accounts included $3.4 billion in assets supporting the Company's pension plans, including $956 million classified in Level 3.

2011				
(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Guaranteed separate accounts (See Note 24)	$ 249	$ 1,439	$ -	$ 1,688
Non-guaranteed separate accounts (1)	1,804	3,851	750	6,405
Total separate account assets	$ 2,053	$ 5,290	$ 750	$ 8,093

(1) As of December 31, 2011, non-guaranteed separate accounts included $3.0 billion in assets supporting the Company's pension plans, including $702 million classified in Level 3.

Separate account assets in Level 1 include exchange-listed equity securities. Level 2 assets primarily include:

- corporate and structured bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates as described above; and
- actively-traded institutional and retail mutual fund investments and separate accounts priced using the daily net asset value that is the exit price.

Separate account assets classified in Level 3 include investments primarily in securities partnerships, real estate and hedge funds generally valued based on the separate account's ownership share of the equity of the investee including changes in the fair values of its underlying investments.

The following tables summarize the change in separate account assets reported in Level 3 for the years ended December 31, 2012 and 2011.

(In millions)	
Balance at January 1, 2012	**$ 750**
Policyholder gains (1)	**55**
Purchases, issuances, settlements:	
Purchases	**283**
Sales	**(6)**
Settlements	**(90)**
Total purchases, sales and settlements	**187**
Transfers into/(out of) Level 3:	
Transfers into Level 3	**17**
Transfers out of Level 3	**(4)**
Total transfers into/(out of) Level 3:	**13**
Balance at December 31, 2012	**$ 1,005**

(1) Included in this amount are gains of $49 million attributable to instruments still held at the reporting date.

(In millions)	
Balance at January 1, 2011	$ 594
Policyholder gains (1)	114
Purchases, issuances, settlements:	
Purchases	257
Sales	(51)
Settlements	(152)
Total purchases, sales and settlements	54
Transfers into/(out of) Level 3:	
Transfers into Level 3	4

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Transfers out of Level 3	(16)
Total transfers into/(out of) Level 3:	(12)
Balance at December 31, 2011	$ 750

(1) Included in this amount are gains of $96 million attributable to instruments still held at the reporting date.

Assets and Liabilities Measured at Fair Value under Certain Conditions

Some financial assets and liabilities are not carried at fair value each reporting period, but may be measured using fair value only under certain conditions, such as investments in real estate entities and commercial mortgage loans when they become impaired. During 2012, impaired commercial mortgage loans representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $7 million after-tax.

During 2011, impaired commercial mortgage loans and real estate entities representing less than 1% of total investments were written down to their fair values, resulting in realized investment losses of $15 million after-tax.

Fair Value Disclosures for Financial Instruments Not Carried at Fair Value

Most financial instruments that are subject to fair value disclosure requirements are carried in the Company's Consolidated Financial Statements at amounts that approximate fair value. The following table provides the fair values and carrying values of the Company's financial instruments not recorded at fair value that are subject to fair value disclosure requirements at December 31, 2012 and December 31, 2011.

(In millions)		**December 31, 2012**		December 31, 2011	
	Classification in Fair Value Hierarchy	**Fair Value**	**Carrying Value**	Fair Value	Carrying Value
Commercial mortgage loans	Level 3	**$ 2,999**	**$ 2,851**	$ 3,380	$ 3,301
Contractholder deposit funds, excluding universal life products	Level 3	**$ 1,082**	**$ 1,056**	$ 1,056	$ 1,035
Long-term debt, including current maturities, excluding capital leases	Level 2	**$ 5,821**	**$ 4,986**	$ 5,319	$ 4,984

The fair values presented in the table above have been estimated using market information when available. The following is a description of the valuation methodologies and inputs used by the Company to determine fair value.

Commercial mortgage loans. The Company estimates the fair value of commercial mortgage loans generally by discounting the contractual cash flows at estimated market interest rates that reflect the Company's assessment of the credit quality of the loans. Market interest rates are derived by calculating the appropriate spread over comparable U.S. Treasury rates, based on the property type, quality rating and average life of the loan. The quality ratings reflect the relative risk of the loan, considering debt service coverage, the loan-to-value ratio and other factors. Fair values of impaired mortgage loans are based on the estimated fair value of the underlying collateral generally determined using an internal discounted cash flow model. The fair value measurements were classified in Level 3 because the cash flow models incorporate significant unobservable inputs.

Contractholder deposit funds, excluding universal life products. Generally, these funds do not have stated maturities. Approximately 55% of these balances can be withdrawn by the customer at any time without prior notice or penalty. The fair value for these contracts is the amount estimated to be payable to the customer as of the reporting date, which is generally the carrying value. Most of the remaining contractholder deposit funds are reinsured by the buyers of the individual life and annuity and retirement benefits businesses. The fair value for these contracts is determined using the fair value of these buyers' assets supporting these reinsured contracts. The Company had a reinsurance recoverable equal to the carrying value of these reinsured contracts. These instruments were classified in Level 3 because certain inputs are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement.

Long-term debt, including current maturities, excluding capital leases. The fair value of long-term debt is based on quoted market prices for recent trades. When quoted market prices are not available, fair value is estimated using a discounted cash flow analysis and the Company's estimated current borrowing rate for debt of similar terms and remaining maturities. These measurements were classified in Level 2 because the fair values are based on quoted market prices or other inputs that are market observable or can be corroborated by market data.

Fair values of off-balance-sheet financial instruments were not material.

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Pension and Other Postretirement Benefits (Details - Changes in Level 3 Assets) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Pension Benefits [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	$ 3,298	$ 3,163
Actual return on plan assets [Abstract]		
Total actual return on plan assets	370	156
Benefits paid	(256)	(273)
Fair value of plan assets, December 31	3,665	3,298
Pension Benefits [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	830	657
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	69	112
Assets sold during the period	0	18
Total actual return on plan assets	69	130
Purchases, sales, settlements, net	186	51
Transfers into (out of) Level 3	13	(8)
Fair value of plan assets, December 31	1,098	830
Pension Benefits [Member] | Fixed Maturities And Equity Securities [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	26	46
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	0	1
Assets sold during the period	0	18
Total actual return on plan assets	0	19
Purchases, sales, settlements, net	5	(33)
Transfers into (out of) Level 3	13	(6)
Fair value of plan assets, December 31	44	26
Pension Benefits [Member] | Real Estate And Mortgage Loans [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	303	240
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	38	44
Assets sold during the period	0	0
Total actual return on plan assets	38	44
Purchases, sales, settlements, net	11	21
Transfers into (out of) Level 3	0	(2)

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Fair value of plan assets, December 31	352	303
Pension Benefits [Member] | Securities Partnerships [Member]		
Actual return on plan assets [Abstract]		
Fair value of plan assets, December 31	328	314
Pension Benefits [Member] | Securities Partnerships [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	314	347
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	18	66
Assets sold during the period	0	0
Total actual return on plan assets	18	66
Purchases, sales, settlements, net	(4)	(99)
Transfers into (out of) Level 3	0	0
Fair value of plan assets, December 31	328	314
Pension Benefits [Member] | Hedge Funds [Member]		
Actual return on plan assets [Abstract]		
Fair value of plan assets, December 31	327	148
Pension Benefits [Member] | Hedge Funds [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	148	0
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	10	(2)
Assets sold during the period	0	0
Total actual return on plan assets	10	(2)
Purchases, sales, settlements, net	169	150
Transfers into (out of) Level 3	0	0
Fair value of plan assets, December 31	327	148
Pension Benefits [Member] | Guaranteed Deposit Account Contract [Member]		
Actual return on plan assets [Abstract]		
Fair value of plan assets, December 31	47	39
Pension Benefits [Member] | Guaranteed Deposit Account Contract [Member] | Fair Value Inputs Level 3 [Member]		
Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	39	24
Actual return on plan assets [Abstract]		
Actual return on plan assets still held at reporting date	3	3
Assets sold during the period	0	0
Total actual return on plan assets	3	3
Purchases, sales, settlements, net	5	12
Transfers into (out of) Level 3	0	0
Fair value of plan assets, December 31	47	39
Other Postretirement Benefits [Member]		

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Change in plan assets [Roll Forward]		
Fair value of plan assets, January 1	22	23
Actual return on plan assets [Abstract]		
Total actual return on plan assets	1	1
Benefits paid	(3)	(2)
Fair value of plan assets, December 31	20	22
Other Postretirement Benefits [Member] | Fair Value Inputs Level 3 [Member]		
Actual return on plan assets [Abstract]		
Total actual return on plan assets	1	1
Benefits paid	$ 3	$ 2

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Guaranteed Minimum Death Benefit Contracts	12 Months Ended Dec. 31, 2012
Guaranteed Minimum Death Benefits Disclosure [Abstract]	
Guaranteed minimum death benefit contracts	

Note 7 — Guaranteed Minimum Death Benefit Contracts

As discussed in Note 25, the Company reinsured the guaranteed minimum death benefit ("GMDB") business on February 4, 2013.

The Company's reinsurance operations, that were discontinued in 2000 and are now an inactive business in run-off mode, reinsured a GMDB, also known as variable annuity death benefits ("VADBe"), under certain variable annuities issued by other insurance companies. These variable annuities are essentially investments in mutual funds combined with a death benefit. The Company has equity and other market exposures as a result of this product. In periods of declining equity markets and in periods of flat equity markets following a decline, the Company's liabilities for these guaranteed minimum death benefits increase. Conversely, in periods of rising equity markets, the Company's liabilities for these guaranteed minimum death benefits decrease.

In 2000, the Company determined that the GMDB reinsurance business was premium deficient because the recorded future policy benefit reserve was less than the expected present value of future claims and expenses less the expected present value of future premiums and investment income using revised assumptions based on actual and expected experience. The Company tests for premium deficiency by reviewing its reserve each quarter using current market conditions and its long-term assumptions. Under premium deficiency accounting, if the recorded reserve is determined to be insufficient, an increase to the reserve is reflected as a charge to current period income. Consistent with GAAP, the Company does not recognize gains on premium deficient long duration products.

See Note 13 for further information on the Company's dynamic hedge programs. These programs were used to reduce certain equity and interest rate exposures associated with this business and were discontinued after February 4, 2013.

The determination of liabilities for GMDB requires the Company to make critical accounting estimates. The Company estimates its liabilities for GMDB exposures with an internal model using many scenarios and based on assumptions regarding lapse, future partial surrenders, claim mortality (deaths that result in claims), interest rates (mean investment performance and discount rate) and volatility. These assumptions are based on the Company's experience and future expectations over the long-term period, consistent with the long-term nature of this product. The Company regularly evaluates these assumptions and changes its estimates if actual experience or other evidence suggests that assumptions should be revised.
The following provides information about the Company's reserving methodology and assumptions for GMDB as of December 31, 2012:

- The reserves represent estimates of the present value of net amounts expected to be paid, less the present value of net future premiums. Included in net amounts expected to be paid is the excess of the guaranteed death benefits over the values of the contractholders' accounts (based on underlying equity and bond mutual fund investments).
- The reserves include an estimate for partial surrenders (that allow most contractholders to withdraw substantially all of their mutual fund investments while retaining the death benefit coverage in effect at the time of the withdrawal, essentially locking in the death benefit for a particular policy) based on annual election rates that vary from 0% to 13% depending on the net amount at risk for each policy and whether surrender charges apply.
- The assumed mean investment performance ("growth interest rate") for the underlying equity mutual funds for the portion of the liability that is covered by the Company's growth interest rate hedge program is based on the market-observable LIBOR swap curve. The assumed mean investment performance for the remainder of the underlying equity mutual funds considers the Company's GMDB equity hedge program using futures contracts, and is based on the Company's view that short-term interest rates will average 4% over future periods, but considers that current short-term rates are less than 4%. The mean investment performance assumption for the underlying fixed income mutual funds (bonds and money market) is 5% based on a review of historical returns. The investment performance for underlying equity and fixed income mutual funds is reduced by fund fees ranging from 1% to 3% across all funds.
- Market volatility refers to market fluctuation. The volatility assumption is based on a review of historical monthly returns for each key index (e.g. S&P 500) over a period of at least ten years. Volatility represents the dispersion of historical returns compared to the average historical return (standard deviation) for each index. The assumption is 18% to 24%, varying by equity fund type; 5% to 7%, varying by bond fund type; and 0% to 1% for money market funds. These volatility assumptions are used along with the mean investment performance assumption to project future return scenarios.
- The discount rate is 5.75%, which is determined based on the underlying and projected yield of the portfolio of assets supporting the GMDB liability.
- The claim mortality assumption is 65% to 89% of the 1994 Group Annuity Mortality table, with 1% annual improvement beginning January 1, 2000. The assumption reflects that for certain contracts, a spousal beneficiary is allowed to elect to continue a contract by becoming its new owner, thereby postponing the death claim rather than receiving the death benefit

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currently. For certain issuers of these contracts, the claim mortality assumption depends on age, gender, and net amount at risk for the policy.

- The lapse rate assumption (full surrender of an annuity prior to a contractholder's death) is 0% to 11%, depending on contract type, policy duration and the ratio of the net amount at risk to account value.

Reserve Strengthening: In each of the three years presented, the Company completed its normal review of reserves (including assumptions), and recorded additional other benefits expense to strengthen GMDB reserves. The amounts and primary drivers of the reserve strengthening in each year were:

2012: Reserve strengthening of $43 million ($27 million after-tax) was primarily due to reductions to the lapse rate assumptions, adverse interest rate impacts, and, to a lesser extent, an increase in the volatility and correlation assumptions, partially offset by favorable equity market conditions. The adverse interest rate impacts reflect management's consideration of the anticipated impact of continued low short-term interest rates. This evaluation also led management to lower the mean investment performance for equity funds from 4.75% to 4.00% for those funds not subject to the growth interest rate hedge program.
2011: Reserve strengthening of $70 million ($45 million after-tax) was driven primarily by volatility-related impacts due to turbulent equity market conditions, adverse interest rate impacts, and adverse impacts of overall market declines in the third quarter that include an increase in the provision for expected future partial surrenders and declines in the value of contractholders' non-equity investments.

2010: Reserve strengthening of $52 million pre-tax ($34 million after-tax) was primarily due to adverse interest rate impacts, and to a lesser extent, an update to the lapse assumption for policies that have already taken or may take a significant partial withdrawal.

Activity in future policy benefit reserves for these GMDB contracts was as follows:

(In millions)	**2012**	2011	2010
Balance at January 1,	**$ 1,170**	$ 1,138	$ 1,285
Add: Unpaid claims	**40**	37	36
Less: Reinsurance and other amounts recoverable	**53**	51	53
Balance at January 1, net	**1,157**	1,124	1,268
Add: Incurred benefits	**17**	138	(20)
Less: Paid benefits	**102**	105	124
Ending balance, net	**1,072**	1,157	1,124
Less: Unpaid claims	**24**	40	37
Add: Reinsurance and other amounts recoverable	**42**	53	51
Balance at December 31,	**$ 1,090**	$ 1,170	$ 1,138

Benefits paid and incurred are net of ceded amounts. Incurred benefits reflect the favorable or unfavorable impact of a rising or falling equity market on the liability, and include the charges discussed above. Losses or gains have been recorded in other revenues as a result of the GMDB equity and growth interest rate hedge programs to reduce equity market and certain interest rate exposures.

The majority of the Company's exposure arises under annuities that guarantee that the benefit received at death will be no less than the highest historical account value of the related mutual fund investments on a contractholder's anniversary date. Under this type of death benefit, the Company is liable to the extent the highest historical anniversary account value exceeds the fair value of the related mutual fund investments at the time of a contractholder's death. Other annuity designs that the Company reinsured guarantee that the benefit received at death will be:

- the contractholder's account value as of the last anniversary date (anniversary reset); or
- no less than net deposits paid into the contract accumulated at a specified rate or net deposits paid into the contract.

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The table below presents the account value, net amount at risk and average attained age of underlying contractholders for guarantees in the event of death, by type of benefit as of December 31. The net amount at risk is the death benefit coverage in force or the amount that the Company would have to pay if all contractholders died as of the specified date, and represents the excess of the guaranteed benefit amount over the fair value of the underlying mutual fund investments. This data does not reflect the impacts of reinsurance in place as of December 31, 2012 nor the reinsurance placed on February 4, 2013.

(Dollars in millions, excludes impact of reinsurance ceded)	**2012**	2011
Highest anniversary annuity value		
Account value	**$ 10,485**	$ 10,801
Net amount at risk	**$ 3,303**	$ 4,487
Average attained age of contractholders (weighted by exposure)	**72**	71
Anniversary value reset		
Account value	**$ 1,183**	$ 1,184
Net amount at risk	**$ 22**	$ 56
Average attained age of contractholders (weighted by exposure)	**65**	63
Other		
Account value	**$ 1,635**	$ 1,768
Net amount at risk	**$ 693**	$ 834
Average attained age of contractholders (weighted by exposure)	**71**	70
Total		
Account value	**$ 13,303**	$ 13,753
Net amount at risk	**$ 4,018**	$ 5,377
Average attained age of contractholders (weighted by exposure)	**72**	71
Number of contractholders (approx.)	**435,000**	480,000

The Company has also written reinsurance contracts with issuers of variable annuity contracts that provide annuitants with certain guarantees related to minimum income benefits. All reinsured GMIB policies also have a GMDB benefit reinsured by the Company. See Note 11 for further information.

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Segment Information (Tables)

12 Months Ended Dec. 31, 2012

Segment Information [Table] [Abstract]

Health Care Segment Financial Data Table [Text Block]

(In millions)	**2012**	2011	2010
Global Health Care			
Premiums and fees:			
Medical:			
Guaranteed cost (1)	**$ 4,256**	$ 4,176	$ 3,929
Experience-rated (2)	**2,022**	1,934	1,823
Stop loss	**1,672**	1,451	1,287
International health care	**1,648**	1,344	976
Dental	**1,005**	894	804
Medicare	**4,969**	489	1,470
Medicaid	**207**	-	-
Medicare Part D	**1,421**	685	615
Other	**677**	600	543
Total medical	**17,877**	11,573	11,447
Fees (3)	**3,096**	2,870	2,687
Total premiums and fees	**20,973**	14,443	14,134
Mail order pharmacy revenues	**1,623**	1,447	1,420
Other revenues	**225**	236	269
Net investment income	**259**	263	230
Segment revenues	**$ 23,080**	$ 16,389	$ 16,053
Depreciation and amortization	**$ 500**	$ 297	$ 255
Income taxes	**$ 793**	$ 616	$ 520
Segment earnings	**$ 1,418**	$ 1,105	$ 940

(1) Excludes the international health care business.

(2) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also includes certain non-participating cases for which special customer level reporting of experience is required.

(3) Includes fees related to the international health care business. Fees related to Medicare Part D of $61 million in 2011 and $57 million in 2010 have been reclassified to premiums to conform to current presentation.

Other Segments Financial Data Table [Text Block]

(In millions)	**2012**	2011	2010
Group Disability and Life			
Premiums and fees:			
Life	**$ 1,426**	$ 1,333	$ 1,341
Disability	**1,413**	1,268	1,167
Other	**270**	256	262
Total	**3,109**	2,857	2,770
Other revenues	**-**	-	123
Net investment income	**300**	291	287
Segment revenues	**$ 3,409**	$ 3,148	$ 3,180
Depreciation and amortization	**$ 10**	$ 10	$ 8
Income taxes	**$ 116**	$ 113	$ 127
Segment earnings	**$ 279**	$ 295	$ 305
Global Supplemental Benefits			
Premiums and fees	**$ 1,984**	$ 1,528	$ 1,231
Other revenues	**21**	15	22
Net investment income	**90**	83	69
Segment revenues	**$ 2,095**	$ 1,626	$ 1,322
Depreciation and amortization	**$ 28**	$ 13	$ 8
Income taxes	**$ 36**	$ 36	$ 42
Equity in income of investees	**$ 10**	$ 15	$ 18
Segment earnings	**$ 142**	$ 97	$ 84
Run-off Reinsurance			
Premiums and fees and other revenues	**$ (98)**	$ 20	$ (133)
Net investment income	**102**	103	114
Segment revenues	**$ 4**	$ 123	$ (19)
Income tax benefits	**$ -**	$ (99)	$ (136)
Segment earnings (loss)	**$ -**	$ (183)	$ 26
Other Operations			
Premiums and fees and other revenues	**$ 155**	$ 169	$ 174
Net investment income	**388**	400	404
Segment revenues	**$ 543**	$ 569	$ 578
Depreciation and amortization	**$ 22**	$ 25	$ 21
Income taxes	**$ 43**	$ 29	$ 39
Segment earnings	**$ 82**	$ 89	$ 85
Corporate			
Other revenues and eliminations	**$ (61)**	$ (58)	$ (62)
Net investment income	**5**	6	1
Segment revenues	**$ (56)**	$ (52)	$ (61)

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	2012	2011	2010
Income tax benefits	**$ (148)**	$ (101)	$ (98)
Segment loss	**$ (329)**	$ (184)	$ (211)
Realized investment gains			
Realized investment gains	**$ 44**	$ 62	$ 75
Income taxes	**13**	21	25
Realized investment gains net of taxes and noncontrolling interest	**$ 31**	$ 41	$ 50
Total			
Premiums and fees and other revenues	**$ 26,308**	$ 19,210	$ 18,528
Mail order pharmacy revenues	**1,623**	1,447	1,420
Net investment income	**1,144**	1,146	1,105
Realized investment gains	**44**	62	75
Total revenues	**$ 29,119**	$ 21,865	$ 21,128
Depreciation and amortization	**$ 560**	$ 345	$ 292
Income taxes	**$ 853**	$ 615	$ 519
Segment earnings	**$ 1,592**	$ 1,219	$ 1,229
Realized investment gains, net of taxes and noncontrolling interest	**$ 31**	$ 41	$ 50
Shareholders' net income	**$ 1,623**	$ 1,260	$ 1,279

Revenues By Product Table [Text Block]

(In millions)	**2012**	2011	2010
Medical	**$ 20,973**	$ 14,443	$ 14,134
Disability	**1,413**	1,268	1,167
Supplemental Health, Life, and Accident	**3,680**	3,117	2,834
Mail order pharmacy	**1,623**	1,447	1,420
Other	**242**	382	393
Total	**$ 27,931**	$ 20,657	$ 19,948

Revenues by Geographic Location [Table Text Block]

(In millions)	**2012**	2011	2010
U.S.	**$ 25,217**	$ 18,522	$ 18,326
South Korea	**1,076**	909	717
All other foreign	**1,638**	1,226	905
Total	**$ 27,931**	$ 20,657	$ 19,948

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Leases Rentals and Outsourced Service Arrangements (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Leases Rentals And Outsourced Service Arrangements [Line Items]			
Term length for operating leases	9 years		
Rental expense for operating leases	$ 130	$ 115	$ 127
Future net minimum rental payments under non-cancelable operating leases	570		
Future minimum rental payments under non-cancelable operating leases payable in one year	116		
Future minimum rental payments under non-cancelable operating leases payable in two years	108		
Future minimum rental payments under non-cancelable operating leases payable in three years	82		
Future minimum rental payments under non-cancelable operating leases payable in four years	65		
Future minimum rental payments under non-cancelable operating leases payable in five years	43		
Future minimum rental payments under non-cancelable operating leases payable after five years	156		
Other operating expenses related to outsourced service arrangements	$ 86	$ 116	$ 114
Minimum [Member]			
Leases Rentals And Outsourced Service Arrangements [Line Items]			
Initial service period under outsourced service arrangements	7 years		
Maximum [Member]			
Leases Rentals And Outsourced Service Arrangements [Line Items]			
Initial service period under outsourced service arrangements	8 years		

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Global Health Care Medical Claims Payable	12 Months Ended Dec. 31, 2012
Global Health Care Medical Claims Payable [Abstract]	
Global Health Care Medical Claims Payable	

Note 5 — Global Health Care Medical Claims Payable

Medical claims payable for the Global Health Care segment reflects estimates of the ultimate cost of claims that have been incurred but not yet reported, those which have been reported but not yet paid (reported claims in process) and other medical expense payable, which comprises accruals primarily for provider incentives and other amounts payable to providers.

As discussed further in Notes 2 and 23¸ effective December 31, 2012, Cigna changed its external reporting segments. The Global Health Care segment now includes most of Cigna's international health care business (primarily the global health benefits business previously reported in the former International segment). As a result of the segment reporting change, insurance liabilities of the international health care business previously classified as Unpaid Claims have been reclassified to Global Health Care Medical Claims Payable in the Consolidated Balance Sheets, and corresponding amounts in the Statement of Income previously reported as Other Benefits Expense have been reclassified to Global Health Care Medical Claims Expense. Prior year amounts have been conformed to this new presentation.

Incurred but not yet reported comprises the majority of the reserve balance as follows:

(In millions)	**2012**	2011
Incurred but not yet reported	**$ 1,541**	$ 1,059
Reported claims in process	**243**	232
Other medical expense payable	**72**	14
Medical claims payable	**$ 1,856**	$ 1,305

Activity in medical claims payable was as follows:

(In millions)	**2012**	2011	2010
Balance at January 1,	**$ 1,305**	$ 1,400	$ 1,045
Less: Reinsurance and other amounts recoverable	**249**	284	257
Balance at January 1, net	**1,056**	1,116	788
Acquired net:	**504**	-	-
Incurred claims related to:			
Current year	**14,428**	9,265	9,337
Prior years	**(200)**	(140)	(115)
Total incurred	**14,228**	9,125	9,222
Paid claims related to:			
Current year	**12,854**	8,227	8,217
Prior years	**1,320**	958	677
Total paid	**14,174**	9,185	8,894
Balance at December 31, net	**1,614**	1,056	1,116
Add: Reinsurance and other amounts recoverable	**242**	249	284
Balance at December 31,	**$ 1,856**	$ 1,305	$ 1,400

Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims for minimum premium products and certain administrative services only business where the right of offset does not exist. See Note 8 for additional information on reinsurance. For the year ended December 31, 2012, actual experience differed from the Company's key assumptions resulting in favorable incurred claims related to prior years' medical claims payable of $200 million, or 2.2% of the current year incurred claims as reported for the year ended December 31, 2011. Actual completion factors accounted for $91 million, or 1.0% of the favorability, while actual medical cost trend resulted in the remaining $109 million, or 1.2%.

For the year ended December 31, 2011, actual experience differed from the Company's key assumptions, resulting in favorable incurred claims related to prior years' medical claims payable of $140 million, or 1.5% of the current year incurred claims as reported for the year ended December 31, 2010. Actual completion factors resulted in $96 million, or 1.0% of the favorability, while actual medical cost trend resulted in the remaining $44 million, or 0.5%.

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The corresponding impact of prior year development on shareholders' net income was $66 million for the year ended December 31, 2012 compared with $49 million for the year ended December 31, 2011. The favorable effects of prior year development on net income in 2012 and 2011 primarily reflect low medical services utilization trend. The change in the amount of the incurred claims related to prior years in the medical claims payable liability does not directly correspond to an increase or decrease in the Company's shareholders' net income recognized for the following reasons.

First, the Company consistently recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, that require the liabilities be adequate under moderately adverse conditions. As the Company establishes the liability for each incurral year, the Company ensures that its assumptions appropriately consider moderately adverse conditions. When a portion of the development related to the prior year incurred claims is offset by an increase determined appropriate to address moderately adverse conditions for the current year incurred claims, the Company does not consider that offset amount as having any impact on shareholders' net income.

Second, as a result of the adoption of the commercial minimum medical loss ratio (MLR) provisions of the Patient Protection and Affordable Care Act in 2011, changes in medical claim estimates due to prior year development may be partially offset by a change in the MLR rebate accrual.

Third, changes in reserves for the Company's retrospectively experience-rated business do not always impact shareholders' net income. For the Company's retrospectively experience-rated business only adjustments to medical claims payable on accounts in deficit affect shareholders' net income. An increase or decrease to medical claims payable on accounts in deficit, in effect, accrues to the Company and directly impacts shareholders' net income. An account is in deficit when the accumulated medical costs and administrative charges, including profit charges, exceed the accumulated premium received. Adjustments to medical claims payable on accounts in surplus accrue directly to the policyholder with no impact on the Company's shareholders' net income. An account is in surplus when the accumulated premium received exceeds the accumulated medical costs and administrative charges, including profit charges.

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Realignment and Efficiency Plan	12 Months Ended Dec. 31, 2012
Realignment And Efficiency Plan [Abstract]	
Realignment and Efficiency Plan	**Note 6 — Realignment and Efficiency Plan**

During the third quarter of 2012, the Company, in connection with the execution of its strategy, committed to a series of actions to further improve its organizational alignment, operational effectiveness, and efficiency. As a result, the Company recognized charges in other operating expenses of $77 million pre-tax ($50 million after-tax) in the third quarter of 2012 consisting primarily of severance costs. The Global Health Care segment reported $65 million pre-tax ($42 million after-tax) of the charge. The remainder was reported as follows: $9 million pre-tax ($6 million after-tax) in Global Supplemental Benefits and $3 million pre-tax ($2 million after-tax) in Group Disability and Life.

Summarized below is activity for 2012.

(In millions)	Severance	Real estate	Total
Third quarter 2012 charge	$ 72	$ 5	$ 77
less: Fourth quarter 2012 payments	5	1	6
Balance, December 31, 2012	$ 67	$ 4	$ 71

The severance costs are expected to be substantially paid in 2013.

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Reinsurance	12 Months Ended Dec. 31, 2012
Reinsurance [Abstract]	
Reinsurance	

Note 8 — Reinsurance

The Company's insurance subsidiaries enter into agreements with other insurance companies to assume and cede reinsurance. Reinsurance is ceded primarily to limit losses from large exposures and to permit recovery of a portion of direct losses. Reinsurance is also used in acquisition and disposition transactions where the underwriting company is not being acquired. Reinsurance does not relieve the originating insurer of liability. The Company regularly evaluates the financial condition of its reinsurers and monitors its concentrations of credit risk.

Supplemental benefits business. The Company had reinsurance recoverables of approximately $402 million as of December 31, 2012 from Great American Life Insurance Company. The life insurance and annuity lines of business written by the acquired legal entities were fully reinsured by the seller prior to the acquisition of their supplemental benefits business by the Company on August 31, 2012. The resulting reinsurance recoverables are secured primarily by fixed maturities whose book value is equal to or greater than 100% of the reinsured policy liabilities. These fixed maturities are held in a trust established for the benefit of the Company.

Retirement benefits business. The Company had reinsurance recoverables of $1.3 billion as of December 31, 2012, and $1.6 billion as of December 31, 2011 from Prudential Retirement Insurance and Annuity Company resulting from the 2004 sale of the retirement benefits business, that was primarily in the form of a reinsurance arrangement. The reinsurance recoverable, that is reduced as the Company's reinsured liabilities are paid or directly assumed by the reinsurer, is secured primarily by fixed maturities equal to or greater than 100% of the reinsured liabilities. These fixed maturities are held in a trust established for the benefit of the Company. As of December 31, 2012, the fair value of trust assets exceeded the reinsurance recoverable.

Individual life and annuity reinsurance. The Company had reinsurance recoverables of $4.0 billion as of December 31, 2012 and $4.2 billion as of December 31, 2011 from The Lincoln National Life Insurance Company and Lincoln Life & Annuity of New York resulting from the 1998 sale of the Company's individual life insurance and annuity business through indemnity reinsurance arrangements. The Lincoln National Life Insurance Company and Lincoln Life & Annuity of New York must maintain a specified minimum credit or claims paying rating or they will be required to fully secure the outstanding recoverable balance. As of December 31, 2012, both companies had ratings sufficient to avoid triggering a contractual obligation.

Other Ceded and Assumed Reinsurance

Ceded Reinsurance: Ongoing operations. The Company's insurance subsidiaries have reinsurance recoverables from various reinsurance arrangements in the ordinary course of business for its Global Health Care, Group Disability and Life, and Global Supplemental Benefits segments as well as the corporate-owned life insurance business. Reinsurance recoverables are $345 million as of December 31, 2012, with 16% of the recoverable balance protected by collateral.

The Company reviews its reinsurance arrangements and establishes reserves against the recoverables in the event that recovery is not considered probable. As of December 31, 2012, the Company's recoverables related to these segments were net of a reserve of $4 million.

Assumed and Ceded reinsurance: Run-off Reinsurance segment. The Company's Run-off Reinsurance operations assumed risks related to GMDB contracts, GMIB contracts, workers' compensation, and personal accident business. The Run-off Reinsurance operations also purchased retrocessional coverage to reduce the risk of loss on these contracts. In December 2010, the Company entered into reinsurance arrangements to transfer the remaining liabilities and administration of the workers' compensation and personal accident businesses to a subsidiary of Enstar Group Limited. Under this arrangement, the new reinsurer also assumes the future risk of collection from prior reinsurers. On February 4, 2013, the Company entered into a reinsurance arrangement related to its GMDB and GMIB contracts. See Note 25 for further details regarding these arrangements.

Liabilities related to GMDB, workers' compensation and personal accident are included in future policy benefits and unpaid claims. Because the GMIB contracts are treated as derivatives under GAAP, the asset related to GMIB is recorded in the Other assets, including other intangibles caption and the liability related to GMIB is recorded in Accounts payable, accrued expenses, and other liabilities on the Company's Consolidated Balance Sheets (see Notes 11 and 24 for additional discussion of the GMIB assets and liabilities).

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The reinsurance recoverables for GMDB, workers' compensation, and personal accident total $170 million as of December 31, 2012. Of this amount, approximately 97% are secured by assets in trust or letters of credit.

The Company reviews its reinsurance arrangements and establishes reserves against the recoverables in the event that recovery is not considered probable. As of December 31, 2012, the Company's recoverables related to this segment were net of a reserve of $1 million.

The Company's payment obligations for underlying reinsurance exposures assumed by the Company under these contracts are based on the ceding companies' claim payments. For GMDB, claim payments vary because of changes in equity markets and interest rates, as well as mortality and contractholder behavior. Any of these claim payments can occur many years into the future, and the amount of the ceding companies' ultimate claims, and therefore, the amount of the Company's ultimate payment obligations and corresponding ultimate collection from retrocessionaires, may not be known with certainty for some time.

Summary. The Company's reserves for underlying reinsurance exposures assumed by the Company, as well as for amounts recoverable from reinsurers/retrocessionaires for both ongoing operations and the run-off reinsurance operation, are considered appropriate as of December 31, 2012, based on current information. The Company bears the risk of loss if its retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company.

In the Company's Consolidated Income Statements, Premiums and fees were presented net of ceded premiums, and Total benefits and expenses were presented net of reinsurance recoveries, in the following amounts:

(In millions)	**2012**	2011	2010
Premiums and Fees			
Short-duration contracts:			
Direct	**$ 23,954**	$ 17,300	$ 16,492
Assumed	**382**	158	496
Ceded	**(217)**	(185)	(187)
	24,119	17,273	16,801
Long-duration contracts:			
Direct	**2,234**	1,919	1,687
Assumed	**86**	36	36
Ceded:			
Individual life insurance and annuity business sold	**(186)**	(203)	(195)
Other	**(66)**	(59)	(55)
	2,068	1,693	1,473
Total	**$ 26,187**	$ 18,966	$ 18,274
Reinsurance recoveries			
Individual life insurance and annuity business sold	**$ 316**	$ 310	$ 321
Other	**201**	213	156
Total	**$ 517**	$ 523	$ 477

The increase in direct premiums in 2012 as compared to 2011 primarily reflects the Company's acquisitions of HealthSpring and Great American Supplemental Benefits as well as the conversion of Vanbreda business from service to insurance contracts in 2012. The increase in assumed premiums in 2012 largely results from the acquisition of FirstAssist. The decrease in assumed premiums in 2011 as compared to 2010 primarily reflects the effect of the Company's exit from a large, low-margin assumed government life insurance program. The effects of reinsurance on written premiums and fees for short-duration contracts were not materially different from the recognized premium and fee amounts shown in the table above

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Schedule III - Supplementary Insurance Information (Tables)	12 Months Ended Dec. 31, 2012
Supplementary Insurance Information [Abstract]	
Supplementary Insurance Information For Insurance Companies Disclosure [Table Text Block]	

Segment	Deferred policy acquisition costs	Future policy benefits and contractholder deposit funds	Medical claims payable and unpaid claims	Unearned premiums and fees
Year Ended December 31, 2012:				
Global Health Care	$ 19	$ 175	$ 1,856	$ 111
Group Disability and Life	1	1,599	3,482	26
Global Supplemental Benefits	1,113	2,227	306	388
Run-off Reinsurance	-	1,094	153	-
Other Operations	65	12,678	142	24
Corporate	-	-	(21)	-
Total	$ 1,198	$ 17,773	$ 5,918	$ 549
Year Ended December 31, 2011:				
Global Health Care	$ 19	$ 170	$ 1,443	$ 103
Group Disability and Life	1	1,572	3,228	26
Global Supplemental Benefits	729	1,255	177	346
Run-off Reinsurance	-	1,172	240	-
Other Operations	68	12,977	160	27
Corporate	-	-	(7)	-
Total	$ 817	$ 17,146	$ 5,241	$ 502
Year Ended December 31, 2010:				
Global Health Care	$ 22	$ 178	$ 1,555	$ 87
Group Disability and Life	2	1,464	3,201	27
Global Supplemental Benefits	609	1,085	112	271
Run-off Reinsurance	-	1,139	244	-
Other Operations	68	12,790	159	31
Corporate	-	-	(8)	-
Total	$ 701	$ 16,656	$ 5,263	$ 416

Premiums and fees (1)	Net investment income (2)	Benefit expenses (1)(3)	Amortization of deferred policy acquisition expenses	Other operating expenses (4)
$ 20,973	$ 259	$ 14,228	$ 68	$ 6,573
3,109	300	2,290	3	721
1,984	90	1,005	141	770
21	102	16	0	(12)
100	388	361	6	51
0	5	0	0	421

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$ 26,187	$ 1,144	$ 17,900	$ 218	$ 8,524
$ 14,443	$ 263	$ 9,125	$ 139	$ 5,404
2,857	291	2,086	4	650
1,528	83	754	110	628
24	103	140	0	265
114	400	385	6	60
0	6	0	0	233
$ 18,966	$ 1,146	$ 12,490	$ 259	$ 7,240
$ 14,134	$ 230	$ 9,222	$ 155	$ 5,216
2,770	287	2,035	6	707
1,231	69	603	84	505
25	114	(22)	0	113
114	404	395	6	53
0	1	0	0	248
$ 18,274	$ 1,105	$ 12,233	$ 251	$ 6,842

Effective December 31, 2012, Cigna changed its reporting segments. Prior period information has been conformed to the current reporting segments. Prior periods for certain information in this Schedule III (Deferred policy acquisition costs, Amortization of deferred policy acquisition costs, and Other operating expenses) have been updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements included in this Form 10-K for additional information.

(1) Amounts presented are shown net of the effects of reinsurance. See Note 8 to the Consolidated Financial Statements included in this Form 10-K.

(2) The allocation of net investment income is based upon the investment year method, the identification of certain portfolios with specific segments, or a combination of both.

(3) Benefit expenses include Global Health Care medical claims expense and other benefit expenses.

(4) Other operating expenses include mail order pharmacy cost of goods sold, GMIB fair value (gain) loss and other operating expenses, and excludes amortization of deferred policy acquisition expenses.

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Schedule II - Condensed Financial Information (Details 2) (USD $)	12 Months Ended Dec. 31, 2012
Condensed Financial Statements, Captions [Line Items]	
Short-term and Long-term Debt Outstanding	$ 5,200,000,000
Credit Facility Remaining Borrowing Capacity	5,300,000,000
Revolving Credit And Letter Of Credit Facility [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Initiation Date	2012-12
Line of Credit Facility, Expiration Date	2017-12
Line of Credit Facility, Term of Agreement	5 years
Line of Credit Facility, Maximum Borrowing Capacity	1,500,000,000
Line of Credit Facility, Number of Participating Banks	16
Line of Credit Facility, Optional Maximum Borrowing Capacity	2,000,000,000
Line of Credit Facility, Covenant Terms	This agreement has certain covenants, including a financial covenant requiring the Company to maintain a total debt-to-adjusted capital ratio at or below 0.50 to 1.00
Revolving Credit And Letter Of Credit Facility [Member] | Minimum [Member]	
Condensed Financial Statements, Captions [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	50.00%
Revolving Credit And Letter Of Credit Facility [Member] | Maximum [Member]	
Condensed Financial Statements, Captions [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	100.00%
Letter of Credit [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Maximum Borrowing Capacity	500,000,000
Letters of Credit Outstanding, Amount	66,000,000
Primary Commitment Holders [Member]	
Condensed Financial Statements, Captions [Line Items]	

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Line of Credit Facility, Individual Bank Percentage Commitment	12.00%
Primary Commitment Holders [Member] | Revolving Credit And Letter Of Credit Facility [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Number of Participating Banks	3
Minor Commitment Holders [Member] | Revolving Credit And Letter Of Credit Facility [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Number of Participating Banks	13
Parent Company [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Term of Agreement	5 years
Line of Credit Facility, Number of Participating Banks	16
Line of Credit Facility, Optional Maximum Borrowing Capacity	2,000,000,000
Short-term and Long-term Debt Outstanding	5,200,000,000
Letters of Credit Outstanding, Amount	66,000,000
Credit Facility Remaining Borrowing Capacity	$ 5,300,000,000
Parent Company [Member] | Revolving Credit And Letter Of Credit Facility [Member] | Minimum [Member]	
Condensed Financial Statements, Captions [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	50.00%
Parent Company [Member] | Revolving Credit And Letter Of Credit Facility [Member] | Maximum [Member]	
Condensed Financial Statements, Captions [Line Items]	
Maximum debt-to-adjusted capital ratio convenant	100.00%
Parent Company [Member] | Primary Commitment Holders [Member]	
Condensed Financial Statements, Captions [Line Items]	

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Line of Credit Facility, Number of Participating Banks	3
Line of Credit Facility, Individual Bank Percentage Commitment	12.00%
Parent Company [Member]	Minor Commitment Holders [Member]	
Condensed Financial Statements, Captions [Line Items]	
Line of Credit Facility, Number of Participating Banks	13

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Pension and Other Postretirement Benefits (Details - Assumptions and 401(k) Plans) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Benefit payments including expected future services [Abstract]			
Expense for matching contributions in the 401K plan	$ 78,000,000	$ 72,000,000	$ 69,000,000
Pension Benefits [Member]			
Assumptions for pension and other postretirement benefits [Abstract]			
Discount rate: Benefit obligation	3.50%	4.00%	
Discount rate: Benefit cost	4.00%	5.00%	
Expected long-term return on plan assets: Benefit cost	8.00%	8.00%	
Recognition Period For Market Fluctuation Impacts On Pension Cost	5 years		
Defined Benefit Plan Market Related Value Of Pension Plan Assets	3,500,000,000		
Defined Benefit Plan Market Value Of Pension Plan Assets	3,600,000,000		
Benefit payments including expected future services [Abstract]			
Paid after one year	396,000,000		
Paid after two years	342,000,000		
Paid after three years	333,000,000		
Paid after four years	331,000,000		
Paid after five years	332,000,000		
Paid in six to ten years	1,630,000,000		
Other Postretirement Benefits [Member]			
Assumptions for pension and other postretirement benefits [Abstract]			
Discount rate: Benefit obligation	3.25%	3.75%	
Discount rate: Benefit cost	3.75%	4.75%	
Expected long-term return on plan assets: Benefit cost	5.00%	5.00%	
Benefit payments including expected future services [Abstract]			
Paid after one year	35,000,000		
Paid after two years	36,000,000		
Paid after three years	36,000,000		
Paid after four years	35,000,000		
Paid after five years	34,000,000		
Paid in six to ten years	$ 149,000,000		

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Schedule V - Valuation and Qualifying Accounts and Reserves (Tables)

12 Months Ended Dec. 31, 2012

Valuation and Qualifying Accounts and Reserves [Abstract]

Schedule Of Valuation And Qualifying Accounts Disclosure [Table Text Block]

Description	Balance at beginning of period (4)	Charged (Credited) to costs and expenses (1)	Charged (Credited) to other accounts (2)	Other deductions- describe (3)	Balance at end of period
2012:					
Investment asset valuation reserves:					
Commercial mortgage loans	$ 19	$ 10	$	$ (22)	$ 7
Allowance for doubtful accounts:					
Premiums, accounts and notes receivable	$ 45	$ 4	$ 1	$ 1	$ 51
Deferred tax asset valuation allowance	$ 45	$ 4	$ (7)	$ -	$ 42
Reinsurance recoverables	$ 5	$ (1)	$ -	$ -	$ 4
2011:					
Investment asset valuation reserves:					
Commercial mortgage loans	$ 12	$ 16	$ -	$ (9)	$ 19
Allowance for doubtful accounts:					
Premiums, accounts and notes receivable	$ 49	$ 4	$ (1)	$ (7)	$ 45
Deferred tax asset valuation allowance	$ 26	$ 4	$ 15	$ -	$ 45
Reinsurance recoverables	$ 10	$ (5)	$ -	$ -	$ 5
2010:					
Investment asset valuation reserves:					
Commercial mortgage loans	$ 17	$ 24	$ -	$ (29)	$ 12
Allowance for doubtful accounts:					
Premiums, accounts and notes receivable	$ 43	$ 11	$ -	$ (5)	$ 49
Deferred tax asset valuation allowance	$ 117	$ (91)	$ -	$ -	$ 26
Reinsurance recoverables	$ 15	$ (5)	$ -	$ -	$ 10

Prior periods for the deferred tax valuation allowance were updated to reflect changes resulting from the retrospective adoption of amended accounting guidance for deferred policy acquisition costs effective January 1, 2012. See Note 2 to the Consolidated Financial Statements in the Form 10-K for additional information.

(1) 2010 amount for deferred tax asset valuation allowance primarily reflects the resolution of a federal tax matter. See Note 20 to the Consolidated Financial Statements.

(2) 2011 increase to deferred tax asset valuation allowance reflects effects of the acquisition of First Assist in November 2011.

(3) Amounts for commercial mortgage loans primarily reflects charge-offs upon sales and repayments, as well as transfers to foreclosed real estate. 2012 amount also includes restructures reclassifed to Other Long-term Investments.

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Investment Income and Gains and Losses (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	$ 44	$ 62	$ 75
Less income taxes (benefits)	13	21	25
Realized investment gains (losses) from continuing operations, net of taxes and noncontrolling interest	31	41	50
Impairments Table Details [Abstract]			
Credit-related	(20) [1]	(28) [1]	(38) [1]
Other	(2)	(25)	(1)
Total	(22)	(53)	(39)
Realized Investment Results Not Reflected In Revenues Table Details [Abstract]			
Separate accounts	206	210	191
Investment gains required to adjust future policy benefits for the run-off settlement annuity business	21	8	18
Sales Information For Available For Sale Fixed Maturies Equity Securities [Abstract]			
Proceeds from sales	591	876	826
Gross gains on sales	37	53	46
Gross losses on sales	(2)	(7)	(3)
Investment Income And Gains And Losses Text Details [Abstract]			
Net Investment Income Not Reflected In Revenues Separate Accounts	181	207	163
Realized Investment Gains Losses On Hybrid Securities	5	(7)	7
Fixed Maturities [Member]			
Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	48	50	87
Equity securities [Member]			
Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	4	(1)	5
Commercial Mortgage Loans [Member]			
Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	(9)	(16)	(23)
Real estate and mortgage loans, including pooled separate accounts [Member]			

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Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	(1)	(6)	3
Other Long Term Investments [Member]			
Schedule Of Gain Loss On Investments Including Marketable Securities And Investments Held At Cost Income Statement Reported Amounts Summary [Line Items]			
Total realized investment gains (losses)	$ 2	$ 35	$ 3

[1] Credit-related losses include other-than-temporary declines in fair value of fixed maturities and equity securities and changes in valuation reserves and asset write-downs related to commercial mortgage loans and investments in real estate entities. There were no credit losses on fixed maturities for which a portion of the impairment was recognized in other comprehensive income.

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Schedule II - Condensed Financial Information of Registrant (Tables)	12 Months Ended Dec. 31, 2012
Condensed Financial Information of Cigna Corporation (Registrant) [Abstract]	
Condensed Financial Information Of Parent Company Only, Statements Of Income	

	For the year ended December 31,		
	2012	2011	2010
Operating expenses:			
Interest	$ 262	$ 195	$ 176
Intercompany interest	-	19	26
Other	190	92	129
Total operating expenses	452	306	331
Loss before income taxes	(452)	(306)	(331)
Income tax benefit	(143)	(107)	(106)
Loss of parent company	(309)	(199)	(225)
Equity in income of subsidiaries	1,932	1,459	1,504
Shareholders' net income	1,623	1,260	1,279
Shareholders' other comprehensive income (loss):			
Net unrealized appreciation (depreciation) on securities:			
Fixed maturities	144	210	151
Equity securities	3	(2)	(1)
Net unrealized appreciation on securities	147	208	150
Net unrealized appreciation (depreciation), derivatives	(5)	1	6
Net translation of foreign currencies	66	(22)	33
Postretirement benefits liability adjustment	(92)	(360)	(189)
Shareholders' other comprehensive income (loss)	116	(173)	-
Shareholders' comprehensive income	$ 1,739	$ 1,087	$ 1,279

Condensed Financial Information Of Parent Company Only, Balance Sheets

	As of December 31,	
	2012	2011
Assets:		
Cash and cash equivalents	$ 115	$ -
Investments in subsidiaries	16,125	14,606
Intercompany	37	29
Other assets	729	793
Total assets	$ 17,006	$ 15,428
Liabilities:		
Intercompany	$ 289	$ 489
Short-term debt	200	100
Long-term debt	4,870	4,869
Other liabilities	1,878	1,976
Total liabilities	7,237	7,434
Shareholders' Equity:		

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Common stock (shares issued, 366; authorized, 600)		92		92
Additional paid-in capital		3,295		3,188
Net unrealized appreciation — fixed maturities	$ 883		$ 739	
Net unrealized appreciation — equity securities	4		1	
Net unrealized depreciation — derivatives	(28)		(23)	
Net translation of foreign currencies	69		3	
Postretirement benefits liability adjustment	(1,599)		(1,507)	
Accumulated other comprehensive loss		(671)		(787)
Retained earnings		12,330		10,787
Less treasury stock, at cost		(5,277)		(5,286)
Total shareholders' equity		9,769		7,994
Total liabilities and shareholders' equity		$ 17,006		$ 15,428

Condensed Financial Information Of Parent Company Only, Statements Of Cash Flows

	For the year ended December 31,		
	2012	2011	2010
Cash Flows from Operating Activities:			
Shareholders' Net Income	$ 1,623	$ 1,260	$ 1,279
Adjustments to reconcile shareholders' net income			
to net cash provided by operating activities:			
Equity in income of subsidiaries	(1,932)	(1,459)	(1,504)
Dividends received from subsidiaries	671	1,135	1,050
Other liabilities	(213)	(296)	(294)
Other, net	191	(92)	158
Net cash provided by operating activities	340	548	689
Cash Flows from Investing Activities:			
Other, net	(19)	-	-
Net cash used in investing activities	(19)	-	-
Cash Flows from Financing Activities:			
Net change in intercompany debt	(208)	(3,258)	(816)
Net change in short-term debt	100	-	-
Net proceeds on issuance of long-term debt	-	2,661	543
Repayment of long-term debt	-	(449)	(268)
Issuance of common stock	121	734	64
Common dividends paid	(11)	(11)	(11)
Repurchase of common stock	(208)	(225)	(201)
Net cash used in financing activities	(206)	(548)	(689)
Net increase in cash and cash equivalents	115	-	-
Cash and cash equivalents, end of year	$ 115	$ -	$ -

Condensed Financial Information Of Parent Company Only, Short-term and Long-term Debt

(In millions)	December 31, 2012	December 31, 2011
Short-term:		
Commercial Paper	$ 200	$ 100
Total short-term debt	$ 200	$ 100
Long-term:		
Uncollateralized debt:		
2.75% Notes due 2016	$ 600	$ 600
5.375% Notes due 2017	250	250
6.35% Notes due 2018	131	131
8.5% Notes due 2019	251	251
4.375% Notes due 2020	249	249
5.125% Notes due 2020	299	299
4.5% Notes due 2021	299	298
4% Notes due 2022	743	743

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7.65% Notes due 2023	100	100
8.3% Notes due 2023	17	17
7.875 % Debentures due 2027	300	300
8.3% Step Down Notes due 2033	83	83
6.15% Notes due 2036	500	500
5.875% Notes due 2041	298	298
5.375% Notes due 2042	750	750
Total long-term debt	$ 4,870	$ 4,869

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Fair Value Measurements (Details - Measured under Certain Conditions) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Fair Value Disclosures [Abstract]		
Percentage Of Impaired Commercial Mortgage Loans Of Total Investments	less than 1%	
Realized Investment Losses Commercial Mortgage Loans	$ 7	
Percentage Of Impaired Commercial Mortgage Loans And Real Estate Entities Of Total Investments		less than 1%
Realized Investment Losses Commercial Mortgage Loans And Real Estate Entities		$ 15

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Quarterly Financial Data

12 Months Ended Dec. 31, 2012

Quarterly Financial Data [Abstract]

Quarterly Financial Data

Quarterly Financial Data *(unaudited)*

The following unaudited quarterly financial data is presented on a consolidated basis for each of the years ended December 31, 2012 and December 31, 2011. Quarterly financial results necessarily rely heavily on estimates. This and certain other factors, such as the seasonal nature of portions of the insurance business, suggest the need to exercise caution in drawing specific conclusions from quarterly consolidated results. Certain reclassifications have been made to previously reported quarterly amounts to conform to the current presentation. See Note 2 to the Consolidated Financial Statements for additional information.

(In millions, except per share amounts)	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
Consolidated Results				
2012				
Total revenues	**$ 6,754**	**$ 7,422**	**$ 7,323**	**$ 7,620**
Income from continuing operations before income taxes	**552**	**588**	**718**	**619**
Shareholders' net income	**371*(1)***	**380*(2)***	**466*(3)***	**406*(4)***
Shareholders' net income per share:				
Basic	**1.30**	**1.33**	**1.64**	**1.43**
Diluted	**1.28**	**1.31**	**1.61**	**1.41**
2011				
Total revenues	$ 5,387	$ 5,479	$ 5,574	$ 5,425
Income from continuing operations before income taxes	579	592	273	432
Shareholders' net income	413*(5)*	391*(6)*	183*(7)*	273*(8)*
Shareholders' net income per share:				
Basic	1.53	1.46	0.68	0.99
Diluted	1.51	1.43	0.67	0.98
Stock and Dividend Data				
2012				
Price range of common stock — high	**$ 49.89**	**$ 49.63**	**$ 47.92**	**$ 54.53**
— low	**$ 41.27**	**$ 42.21**	**$ 39.34**	**$ 47.31**
Dividends declared per common share	**$ 0.04**	**$ -**	**$ -**	**$ -**
2011				
Price range of common stock — high	$ 44.29	$ 51.81	$ 52.95	$ 47.61
— low	$ 36.76	$ 42.80	$ 40.24	$ 38.82
Dividends declared per common share	$ 0.04	$ -	$ -	$ -

(1) The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

(2) The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

(3) The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

(4) The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters.

(5) The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

(6) The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

(7) The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

(8)

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Investments (Tables)	12 Months Ended Dec. 31, 2012

Investments [Tables] [Abstract]

Fixed maturities and equity securities table

(In millions)	2012	2011
Included in fixed maturities:		
Trading securities (amortized cost: $1; $2)	$ 1	$ 2
Hybrid securities (amortized cost: $15; $26)	15	28
Total	$ 16	$ 30
Included in equity securities:		
Hybrid securities (amortized cost: $84; $90)	$ 70	$ 65

Amortized cost and fair value for fixed maturities table

(In millions)	Amortized Cost	Fair Value
Due in one year or less	$ 1,121	$ 1,141
Due after one year through five years	5,211	5,633
Due after five years through ten years	5,283	5,973
Due after ten years	2,850	3,796
Mortgage and other asset-backed securities	1,000	1,146
Total	$ 15,465	$ 17,689

Gross unrealized appreciation (depreciation) fixed maturities table

(In millions)	December 31, 2012			
	Amortized Cost	Unrealized Appre-ciation	Unrealized Depre-ciation	Fair Value
Federal government and agency	$ 509	$ 393	$ -	$ 902
State and local government	2,169	270	(2)	2,437
Foreign government	1,197	126	(1)	1,322
Corporate	10,590	1,308	(17)	11,881
Federal agency mortgage-backed	121	1	-	122
Other mortgage-backed	82	11	(4)	89
Other asset-backed	797	145	(6)	936
Total	$ 15,465	$ 2,254	$ (30)	$ 17,689
(In millions)	December 31, 2011			
Federal government and agency	$ 552	$ 406	$ -	$ 958
State and local government	2,185	274	(3)	2,456
Foreign government	1,173	103	(2)	1,274
Corporate	9,460	1,070	(45)	10,485
Federal agency mortgage-backed	9	-	-	9
Other mortgage-backed	73	10	(4)	79
Other asset-backed	777	160	(11)	926
Total	$ 14,229	$ 2,023	$ (65)	$ 16,187

Declines in fair value table

(Dollars in millions)	December 31, 2012			
	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues
Fixed maturities:				
One year or less:				
Investment grade	$ 488	$ 494	$ (6)	200
Below investment grade	$ 123	$ 125	$ (2)	67
More than one year:				
Investment grade	$ 195	$ 207	$ (12)	39
Below investment grade	$ 26	$ 36	$ (10)	14

Distribution of commercial mortgage loans table

(In millions)	2012	2011
Property type		

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Office buildings	**$ 866**	$ 1,014
Apartment buildings	**571**	705
Industrial	**532**	670
Hotels	**463**	542
Retail facilities	**346**	297
Other	**73**	73
Total	**$ 2,851**	$ 3,301
Geographic region		
Pacific	**$ 966**	$ 893
South Atlantic	**730**	870
New England	**387**	450
Central	**352**	511
Middle Atlantic	**300**	391
Mountain	**116**	186
Total	**$ 2,851**	$ 3,301

Financing Receivable Credit Quality Indicators Table [Text Block]

(In millions)	**December 31, 2012**					
	Debt Service Coverage Ratio					
Loan-to-Value Ratios	**1.30x or Greater**	**1.20x to 1.29x**	**1.10x to 1.19x**	**1.00x to 1.09x**	**Less than 1.00x**	**Total**
Below 50%	**$ 297**	**$ 8**	**$ -**	**$ 50**	**$ -**	**$ 355**
50% to 59%	**614**	**104**	**25**	**52**	**-**	**795**
60% to 69%	**562**	**75**	**-**	**66**	**-**	**703**
70% to 79%	**194**	**143**	**132**	**4**	**16**	**489**
80% to 89%	**45**	**42**	**131**	**18**	**58**	**294**
90% to 99%	**14**	**30**	**-**	**-**	**58**	**102**
100% or above	**-**	**-**	**30**	**17**	**66**	**113**
Total	**$ 1,726**	**$ 402**	**$ 318**	**$ 207**	**$ 198**	**$ 2,851**

(In millions)	December 31, 2011					
	Debt Service Coverage Ratio					
Loan-to-Value Ratios	1.30x or Greater	1.20x to 1.29x	1.10x to 1.19x	1.00x to 1.09x	Less than 1.00x	Total
Below 50%	$ 225	$ 55	$ 3	$ 50	$ 9	$ 342
50% to 59%	444	47	26	-	53	570
60% to 69%	646	140	42	-	77	905
70% to 79%	117	132	120	159	33	561
80% to 89%	99	81	79	72	71	402
90% to 99%	36	35	30	58	116	275
100% or above	-	10	50	51	135	246
Total	$ 1,567	$ 500	$ 350	$ 390	$ 494	$ 3,301

Impaired commercial mortgage loans and related valuation reserves table

(In millions)	**2012**			2011		
	Gross	**Reserves**	**Net**	Gross	Reserves	Net
Impaired commercial mortgage loans with valuation reserves	**$ 72**	**$ (7)**	**$ 65**	$ 154	$ (19)	$ 135
Impaired commercial mortgage loans with no valuation reserves	**60**	**-**	**60**	60	-	60
Total	**$ 132**	**$ (7)**	**$ 125**	$ 214	$ (19)	$ 195

Schedule of Changes in Valuation Reserves For Commercial Mortgage Loans Table

(In millions)	**2012**	2011
Reserve balance, January 1,	**$ 19**	$ 12
Increase in valuation reserves	**10**	16
Charge-offs upon sales and repayments, net of recoveries	**(3)**	(1)
Transfers to other long-term investments	**(16)**	-
Transfers to foreclosed real estate	**(3)**	(8)
Reserve balance, December 31,	**$ 7**	$ 19

Other long-term investments

(In millions)	**2012**	2011
Real estate entities	**$ 823**	$ 665
Securities partnerships	**343**	298

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Interest rate and foreign currency swaps	**6**	12
Mezzanine loans	**31**	31
Other	**52**	52
Total	**$ 1,255**	$ 1,058

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Derivative Financial Instruments	12 Months Ended Dec. 31, 2012
Derivative Financial Instruments [Abstract]	
Derivative Financial Instruments	

Note 13 — Derivative Financial Instruments

The Company has written and purchased reinsurance contracts under its Run-off Reinsurance segment that are accounted for as free standing derivatives. The Company also uses derivative financial instruments to manage the equity, foreign currency, and certain interest rate risk exposures of its Run-off Reinsurance segment. In addition, the Company uses derivative financial instruments to manage the characteristics of investment assets to meet the varying demands of the related insurance and contractholder liabilities. See Note 2 for information on the Company's accounting policy for derivative financial instruments. Derivatives in the Company's separate accounts are excluded from the following discussion because associated gains and losses generally accrue directly to separate account policyholders.

Collateral and termination features. The Company routinely monitors exposure to credit risk associated with derivatives and diversifies the portfolio among approved dealers of high credit quality to minimize this risk. Certain of the Company's over-the-counter derivative instruments contain provisions requiring either the Company or the counterparty to post collateral or demand immediate payment depending on the amount of the net liability position and predefined financial strength or credit rating thresholds. Collateral posting requirements vary by counterparty. The net liability positions of these derivatives were not material as of December 31, 2012 or 2011.

Derivative instruments associated with the Company's Run-off Reinsurance segment.

Guaranteed Minimum Income Benefits (GMIB)

Purpose. The Company has written reinsurance contracts with issuers of variable annuity contracts that provide annuitants with certain guarantees of minimum income benefits resulting from the level of variable annuity account values compared with a contractually guaranteed amount (“GMIB liabilities”). According to the contractual terms of the written reinsurance contracts, payment by the Company depends on the actual account value in the underlying mutual funds and the level of interest rates when the contractholders elect to receive minimum income payments. The Company has purchased retrocessional coverage for 55% of these contracts to reduce a portion of the risks assumed (“GMIB assets”). Effective February 4, 2013, the Company reinsured the remainder of the exposures on these contracts. See Note 25 for additional information.

Accounting policy. The Company accounts for these GMIB liabilities and assets as written and purchased options at fair value because cash flows are affected by equity markets and interest rates, but are without significant life insurance risk and are settled in lump sum payments. These derivatives are not designated as hedges and their fair values are reported in other liabilities (GMIB liability) and other assets (GMIB asset), with changes in fair value reported in GMIB fair value (gain) loss.

Cash flows. Under the terms of these written and purchased contracts, the Company periodically receives and pays fees based on either contractholders' account values or their deposits increased at a contractual rate. The Company will also pay and receive cash depending on changes in account values and interest rates when contractholders first elect to receive minimum income payments. These cash flows are reported in operating activities.

Volume of activity. The potential undiscounted future payments for the written options (GMIB liability, as defined in Note 24) was $1,065 million as of December 31, 2012 and $1,244 million as of December 31, 2011. The potential undiscounted future receipts for the purchased options (GMIB asset) was $586 million as of December 31, 2012 and $684 million as of December 31, 2011.

The following table provides the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements ***(In millions)***						
	Other Assets, including other intangibles		**Accounts Payable, Accrued Expenses and Other Liabilities**		**GMIB Fair Value (Gain) Loss**	
	As of December 31,		**As of December 31,**		**For the years ended December 31,**	
Instrument	**2012**	2011	**2012**	2011	**2012**	2011
Written options (GMIB liability)			**$ 1,170**	$ 1,333	**$ (96)**	$ 504
Purchased options (GMIB asset)	**$ 622**	$ 712			**55**	(270)
Total	**$ 622**	$ 712	**$ 1,170**	$ 1,333	**$ (41)**	$ 234

GMDB and GMIB Hedge Programs

Purpose. The Company uses derivative financial instruments under a dynamic hedge program designed to substantially reduce domestic and international equity market exposures resulting from changes in variable annuity account values based on underlying mutual funds for certain reinsurance contracts that guarantee minimum death benefits (“GMDB”). During the second quarter of 2012, the Company expanded this hedge program to cover approximately one-half of the equity market exposures associated with its GMIB business, increasing the covered exposure from approximately one-quarter. The Company also operates a dynamic hedge program to reduce the exposure to changes in interest rate levels on the growth rate for approximately one-third of its GMDB and one-quarter of its GMIB businesses (“GMDB and GMIB growth interest rate hedge program”). These hedge programs are dynamic because the Company will regularly rebalance the hedging instruments within established parameters as equity and interest rate exposures of these businesses change. These hedge programs were terminated after February 4, 2013 as a result of the Company's agreement to reinsure the remainder of GMDB and GMIB businesses. See Notes 7 and 11 for further details regarding these businesses.

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The Company manages these hedge programs using exchange-traded equity, foreign currency, and interest rate futures contracts, as well as interest rate swap contracts. These contracts are generally expected to rise in value as equity markets and interest rates decline, and decline in value as equity markets and interest rates rise.

Accounting policy. These hedge programs are not designated as accounting hedges. Although these hedge programs effectively reduce equity market, foreign currency, and interest rate exposures, changes in the fair values of these futures and swap contracts may not exactly offset changes in the portions of the GMDB and GMIB liabilities covered by these hedges, in part because the market does not offer contracts that exactly match the targeted exposure profile. Changes in fair value of these futures contracts, as well as interest income and interest expense relating to the swap contracts are reported in other revenues. The fair values of the interest rate swaps are reported in other assets and other liabilities. Amounts reflecting corresponding changes in liabilities for GMDB contracts are included in benefits and expenses.

Cash flows. The Company receives or pays cash daily in the amount of the change in fair value of the futures contracts. The Company periodically exchanges cash flows between variable and fixed interest rates under the interest rate swap contracts. Cash flows relating to these contracts are included in operating activities.

Volume of activity. The notional values of futures and swap contracts used in the GMDB and GMIB equity and growth interest rate hedge programs are included in the following table. Equity futures consist primarily of S&P 500, S&P 400, Russell 2000, NASDAQ, TOPIX (Japanese), EUROSTOXX and FTSE (British) equity indices. Currency futures consist of Euros, Japanese yen and British pounds.

	Notional Amount *(In millions)*			
	As of December 31,		As of December 31,	
Instrument	**2012**		2011	
Equity and currency futures - equity hedge	**$**	**777**	$	**994**
Interest rate swaps - growth interest rate hedge		**240**		**240**
U.S. Treasury futures - growth interest rate hedge		**16**		**29**
Eurodollar futures - growth interest rate hedge		**482**		**598**
Total	**$**	**1,515**	$	**1,861**

The following tables provide the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements ***(In millions)***				
	Other Revenues			
	For the years ended December 31,			
	2012		2011	
Equity and currency futures for GMDB exposures	**$**	**(110)**	$	(45)
Equity and currency futures for GMIB exposures		**(16)**		4
Total equity and currency futures ***(1)***	**$**	**(126)**	$	(41)

	Other Assets, including other intangibles				**Other Revenues**			
	As of December 31,				**For the years ended December 31,**			
	2012		2011		**2012**		2011	
Interest rate swaps	**$**	**35**	**$**	**33**	**$**	**8**	**$**	**39**
Interest rate futures *(1)*		**-**		**-**		**(1)**		**(2)**
Total interest rate swaps and futures	**$**	**35**	**$**	**33**	**$**	**7**	**$**	**37**
Interest rate derivatives for GMDB exposures					**$**	**5**	**$**	**31**
Interest rate derivatives for GMIB exposures						**2**		**6**
Total interest rate swaps and futures					**$**	**7**	**$**	**37**

(1) Balance sheet presentation of amounts receivable or payable relating to futures daily variation margin are excluded from this table.

Derivative instruments used in the Company's investment risk management.

Derivative financial instruments are also used by the Company as a part of its investment strategy to manage the characteristics of investment assets (such as duration, yield, currency and liquidity) to meet the varying demands of the related insurance and contractholder liabilities (such as paying claims, investment returns and withdrawals). Derivatives are typically used in this strategy to reduce interest rate and foreign currency risks.

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Investment Cash Flow Hedges

Purpose. The Company uses interest rate, foreign currency, and combination (interest rate and foreign currency) swap contracts to hedge the interest and foreign currency cash flows of its fixed maturity bonds to match associated insurance liabilities.

Accounting policy. Using cash flow hedge accounting, fair values are reported in other long-term investments or other liabilities and accumulated other comprehensive income and amortized into net investment income or reported in other realized investment gains and losses as interest or principal payments are received.

Cash flows. Under the terms of these various contracts, the Company periodically exchanges cash flows between variable and fixed interest rates and/or between two currencies for both principal and interest. Foreign currency swaps are primarily Euros, Australian dollars, Canadian dollars, Japanese yen, and British pounds, and have terms for periods of up to 9 years. Net interest cash flows are reported in operating activities.

Volume of activity. The following table provides the notional values of these derivative instruments for the indicated periods:

	Notional Amount (In millions)			
	As of December 31,			
Instrument	**2012**		2011	
Interest rate swaps	**$**	**58**	$	134
Foreign currency swaps		**133**		134
Combination interest rate and foreign currency swaps		**64**		64
Total	**$**	**255**	$	332

The following table provides the effect of these derivative instruments on the financial statements for the indicated periods:

Fair Value Effect on the Financial Statements *(In millions)*												
	Other Long-Term Investments				**Accounts Payable, Accrued Expenses and Other Liabilities**				**Gain (Loss) Recognized in Other Comprehensive Income (1)**			
	As of December 31,				As of December 31,				For the years ended December 31,			
Instrument	**2012**		2011		**2012**		2011		**2012**		2011	
Interest rate swaps	**$**	**4**	$	7	**$**	**-**	$	-	**$**	**(3)**	$	(3)
Foreign currency swaps		**1**		3		**18**		19		**(3)**		(1)
Combination interest rate and foreign currency swaps		**-**		-		**13**		11		**(2)**		1
Total	**$**	**5**	$	10	**$**	**31**	$	30	**$**	**(8)**	$	(3)

(1) Other comprehensive income for foreign currency swaps excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.

For the years ended December 31, 2012 and 2011, the amount of gains (losses) reclassified from accumulated other comprehensive income into income was not material. The amount of gains (losses) recognized due to ineffectiveness was not material and there were no amounts excluded from the assessment of hedge effectiveness.

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Contingencies and Other Matters (Details) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Contingencies And Other Matters Details [Abstract]		
Guaranteed Separate Accounts Liability	$ 559,000,000	
Separate Accounts Liability Sold Business Percent Reinsured	21.00%	
Underlying mutual fund investment values for Guaranteed Minimum Income Benefits	1,100,000,000	
Maximum potential undiscounted payments under Guaranteed Minimum Income Benefits assumptions	1,100,000,000	
Percentage of GMIB exposure covered by retrocessional coverage	55.00%	
Indemnification Obligations To Lenders	331,000,000	
Liabilities Required Indemnification Obligations Real Estate Joint Ventures	no	
Leased equipment value deficiency guarantees	41,000,000	
Guarantee For Lease Shortfall Expiring 2025	25,000,000	
Guarantee For Lease Shortfall Expiring 2016	16,000,000	
Guarantee Liability For Lease Shortfall	2,000,000	
Liabilities Required Indemnification Obligations Acquisitions and Dispositions	no liabilities	
Charges for administrative service only bank guarantees Text String	no material charges	
Liabilities Required Bank Service Guarantees	no	
Estimated Potential Guaranty Fund Assessments	60,000,000	
After Tax Charges For Guaranty Fund Assessments	not material	not material
Litigation reserves pre tax	189,000,000	
Litigation reserves after tax	123,000,000	
Litigation Charge Pre Tax	124,000,000	
Litigation Charge After Tax	$ 81,000,000	

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Accumulated Other Comprehensive Income (Loss)	12 Months Ended Dec. 31, 2012
Accumulated Other Comprehensive Income (Loss) [Abstract]	
Accumulated Other Comprehensive Income (Loss)	**Note 18 — Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive income (loss) excludes amounts required to adjust future policy benefits for the run-off settlement annuity business.

Changes in accumulated other comprehensive income (loss) were as follows:

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2012						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	**$**	**271**	**$**	**(90)**	**$**	**181**
Reclassification adjustment for losses (gains) included in shareholders' net income		**(52)**		**18**		**(34)**
Net unrealized appreciation, securities	**$**	**219**	**$**	**(72)**	**$**	**147**
Net unrealized depreciation, derivatives	**$**	**(7)**	**$**	**2**	**$**	**(5)**
Net translation of foreign currencies	**$**	**78**	**$**	**(12)**	**$**	**66**
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs, and settlement charges	**$**	**52**	**$**	**(18)**	**$**	**34**
Net change arising from assumption and plan changes and experience		**(181)**		**55**		**(126)**
Net postretirement benefits liability adjustment	**$**	**(129)**	**$**	**37**	**$**	**(92)**

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2011						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	$	366	$	(127)	$	239
Reclassification adjustment for (gains) included in net income		(49)		18		(31)
Net unrealized appreciation, securities	$	317	$	(109)	$	208
Net unrealized appreciation, derivatives	$	1	$	-	$	1
Net translation of foreign currencies	$	(21)	$	(1)	$	(22)
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$	22	$	(7)	$	15
Net change arising from assumption and plan changes and experience		(580)		205		(375)
Net postretirement benefits liability adjustment	$	(558)	$	198	$	(360)

(In millions)		Pre-Tax		Tax (Expense) Benefit		After-Tax
2010						
Net unrealized appreciation, securities:						
Net unrealized appreciation on securities arising during the year	$	319	$	(109)	$	210
Reclassification adjustment for (gains) included in net income		(92)		32		(60)
Net unrealized appreciation, securities	$	227	$	(77)	$	150
Net unrealized appreciation derivatives	$	8	$	(2)	$	6
Net translation of foreign currencies	$	40	$	(7)	$	33
Postretirement benefits liability adjustment:						
Reclassification adjustment for amortization of net losses from past experience and prior service costs	$	10	$	(4)	$	6

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Net change arising from assumption and plan changes and experience	(311)	116	(195)
Net postretirement benefits liability adjustment	$ (301)	$ 112	$ (189)

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Investments (Details) (USD $)	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Investment Text Details [Abstract]		
Fixed maturities pledged as collateral to brokers as required under certain futures contracts	$ 54,000,000	$ 79,000,000
Investments supporting run-off settlement annuity business	3,100,000,000	3,000,000,000
Gross unrealized appreciation of investments supporting run-off settlement annuity business	883,000,000	851,000,000
Gross unrealized depreciation of investments supporting run-off settlement annuity business	8,000,000	25,000,000
Commitments to purchase fixed maturities bearing interest at a fixed market rate	58,000,000	
Carrying Value Of Non Income Producing Real Estate Investments	49,000,000	49,000,000
Commercial Mortgage Loans Commitments To Extend Credit	6,000,000	
Real Estate Investments Commitments To Contribute Additional Equity	7,000,000	
Carrying Value Of Non Income Producing Real Estate Entities And Securities Partnerships	199,000,000	171,000,000
Commitments to contribute to limited liability entities that hold real estate or loans to real estate	197,000,000	
Commitments to contribute to entities that hold seucrities diversified by issuer and maturity date	312,000,000	
Percentage of the committed amounts to be disbursed by the end of next year	50.00%	
Corporate Securities Included In Short Term Investments	1,100,000,000	4,100,000,000
Federal Government Securities Included In Short Term Investments	167,000,000	164,000,000
Money Market Funds Included In Short Term Investments	217,000,000	40,000,000
Trading and hybrid securities excluded from gross unrealized appreciation	16,000,000	30,000,000
Financing Receivables Credit Quality Text Details [Abstract]		
Financing Receivable Credit Quality Debt Service Coverage	1.56	1.40
Financing Receivable Credit Quality Loan To Value Ratio	65.00%	70.00%
Problem And Potential Problem Mortgage Loans	215,000,000	336,000,000
Increase To Commercial Mortgage Loan Valuation Reserve Pre Tax	10,000,000	
Increase To Commercial Mortgage Loan Valuation Reserve After Tax	7,000,000	
Commercial Mortage Loans With Increased Valuation Reserves Industrial Number	3	
Commercial Mortage Loans With Increased Valuation Reserves Retail Number	1	
Average Recorded Investment Impaired Commercial Mortgage Loans	167,000,000	176,000,000
Mortgage Loans Restructured	119,000,000	65,000,000
Modified Loans Note 1	100,000,000	55,000,000
Modified Loans Note 2	19,000,000	10,000,000
Paydown Of Modified Loan Note 1	46,000,000	
Remaining Amount Of Modified Loan Note 1 Reclassified To Good Standing	54,000,000	
Included in fixed maturities:		
Trading securities in fixed maturities	1,000,000	2,000,000
Hybrid Securities Included In Fixed Maturities	15,000,000	28,000,000
Total	16,000,000	30,000,000

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Included in equity securities:		
Hybrid securities in equity securities	70,000,000	65,000,000
Amortized Cost:		
Due in one year or less	1,121,000,000	
Due after one year through five years	5,211,000,000	
Due after five years through ten years	5,283,000,000	
Due after ten years	2,850,000,000	
Mortgage and other asset-backed securities	1,000,000,000	
Total	15,465,000,000	
Fair Value:		
Due in one year or less	1,141,000,000	
Due after one year through five years	5,633,000,000	
Due after five years through ten years	5,973,000,000	
Due after ten years	3,796,000,000	
Mortgage and other asset-backed securities	1,146,000,000	
Total	17,689,000,000	
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	2,851,000,000	3,301,000,000
Other Long Term Investments [Line Items]		
Other long-term investments	1,255,000,000	1,058,000,000
Schedule Of Financing Receivable Allowance For Credit Losses [Abstract]		
Reserve balance, January 1,	19,000,000	12,000,000
Increase in valuation reserves	10,000,000	16,000,000
Charge-offs upon sales and repayments, net of recoveries	(3,000,000)	(1,000,000)
Transfers to foreclosed real estate	(3,000,000)	(8,000,000)
Transfers to other long-term investments	(16,000,000)	0
Reserve balance, December 31,	7,000,000	19,000,000
Real Estate Entities [Member]		
Other Long Term Investments [Line Items]		
Other long-term investments	823,000,000	665,000,000
Security Partnerships [Member]		
Other Long Term Investments [Line Items]		
Other long-term investments	343,000,000	298,000,000
Interest Rate And Foreign Currency Swaps [Member]		
Other Long Term Investments [Line Items]		
Other long-term investments	6,000,000	12,000,000
Mezzanine Loans [Member]		
Other Long Term Investments [Line Items]		
Other long-term investments	31,000,000	31,000,000
Other Long Term Investments [Member]		
Other Long Term Investments [Line Items]		
Other long-term investments	52,000,000	52,000,000
One Year From Balance Sheet Date [Member]		

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Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	419,000,000	
More than One and within Two Years from Balance Sheet Date [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	290,000,000	
More Than Two And Within Three Years From Balance Sheet Date [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	318,000,000	
More Than Three And Within Four Years From Balance Sheet Date [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	791,000,000	
More than Four Years from Balance Sheet Date and Thereafter [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	1,033,000,000	
Pacific Region [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	966,000,000	893,000,000
South Atlantic Region [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	730,000,000	870,000,000
New England Region [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	387,000,000	450,000,000
Central Region [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	352,000,000	511,000,000
Middle Atlantic [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	300,000,000	391,000,000
Mountain [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	116,000,000	186,000,000
Office Buildings [Member]		

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Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	866,000,000	1,014,000,000
Apartment Building [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	571,000,000	705,000,000
Industrial [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	532,000,000	670,000,000
Hotels [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	463,000,000	542,000,000
Retail Facilities [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	346,000,000	297,000,000
Other Property [Member]		
Mortgage Loans On Real Estate Commercia Land Consumernet Investment Based Operations Presentation [Line Items]		
Commercial mortgage loans and real estate investments	73,000,000	73,000,000
Portion At Amortized Cost Disclosure [Member]		
Included in fixed maturities:		
Trading securities in fixed maturities	1,000,000	2,000,000
Hybrid Securities Included In Fixed Maturities	15,000,000	26,000,000
Included in equity securities:		
Hybrid securities in equity securities	$ 84,000,000	$ 90,000,000

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Penson and Other Postretirement Benefit Plans (Tables)	12 Months Ended Dec. 31, 2012

Pension And Other Postretirement Benefit Expense [Tables] [Abstract]

Projected benefit obligations and assets related to pension and other postretirement benefits

(In millions)	Pension Benefits 2012	Pension Benefits 2011	Other Postretirement Benefits 2012	Other Postretirement Benefits 2011
Change in benefit obligation				
Benefit obligation, January 1	**$ 5,067**	$ 4,691	**$ 452**	$ 444
Service cost	**3**	2	**2**	2
Interest cost	**198**	228	**16**	20
(Gain) loss from past experience	**283**	453	**(2)**	16
Benefits paid from plan assets	**(256)**	(273)	**(3)**	(2)
Benefits paid - other	**(28)**	(34)	**(23)**	(28)
Benefit obligation, December 31	**5,267**	5,067	**442**	452
Change in plan assets				
Fair value of plan assets, January 1	**3,298**	3,163	**22**	23
Actual return on plan assets	**370**	156	**1**	1
Benefits paid	**(256)**	(273)	**(3)**	(2)
Contributions	**253**	252	**-**	-
Fair value of plan assets, December 31	**3,665**	3,298	**20**	22
Funded Status	**$ (1,602)**	$ (1,769)	**$ (422)**	$ (430)

Postretirement benefits liability adjustment included in AOCI

(In millions)	Pension Benefits 2012	Pension Benefits 2011	Other Postretirement Benefits 2012	Other Postretirement Benefits 2011
Unrecognized net loss	**$ (2,450)**	$ (2,331)	**$ (28)**	$ (30)
Unrecognized prior service cost	**(5)**	(5)	**23**	35
Postretirement benefits liability adjustment	**$ (2,455)**	$ (2,336)	**$ (5)**	$ 5

Components of net pension costs

(In millions)	2012	2011	2010
Service cost	**$ 3**	$ 2	$ 2
Interest cost	**198**	228	240
Expected long-term return on plan assets	**(270)**	(267)	(253)
Amortization of:			
Net loss from past experience	**58**	38	28
Settlement loss	**6**	-	-
Net pension cost	**$ (5)**	$ 1	$ 17

Components of net other postretirement benefit cost

(In millions)	2012	2011	2010
Service cost	**$ 2**	$ 2	$ 1
Interest cost	**16**	20	22
Expected long-term return on plan assets	**(1)**	(1)	(1)
Amortization of:			
Prior service cost	**(12)**	(16)	(18)
Net other postretirement benefit cost	**$ 5**	$ 5	$ 4

Results of a 1% increase or decrease in healthcare benefits estimate range

(In millions)	Increase	Decrease
Effect on total service and interest cost	$ -	$ -
Effect on postretirement benefit obligation	$ 12	$ 10

Fair value of plan assets

December 31, 2012				
(In millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total

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Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	**$ -**	**$ 4**	**$ -**	**$ 4**
Corporate	**-**	**416**	**27**	**443**
Mortgage and other asset-backed	**-**	**8**	**5**	**13**
Fund investments and pooled separate accounts (1)	**-**	**519**	**3**	**522**
Total fixed maturities	**-**	**947**	**35**	**982**
Equity securities:				
Domestic	**1,202**	**4**	**10**	**1,216**
International, including funds and pooled separate accounts (1)	**158**	**149**	**-**	**307**
Total equity securities	**1,360**	**153**	**10**	**1,523**
Real estate and mortgage loans, including pooled separate accounts (1)	**-**	**-**	**351**	**351**
Securities partnerships	**-**	**-**	**328**	**328**
Hedge funds	**-**	**-**	**327**	**327**
Guaranteed deposit account contract	**-**	**-**	**47**	**47**
Cash equivalents	**-**	**107**	**-**	**107**
Total plan assets at fair value	**$ 1,360**	**$ 1,207**	**$ 1,098**	**$ 3,665**

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

December 31, 2011

(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Plan assets at fair value:				
Fixed maturities:				
Federal government and agency	$ -	$ 5	$ -	$ 5
Corporate	-	332	7	339
Mortgage and other asset-backed	-	8	2	10
Fund investments and pooled separate accounts (1)	-	546	3	549
Total fixed maturities	-	891	12	903
Equity securities:				
Domestic	1,153	1	14	1,168
International, including funds and pooled separate accounts (1)	141	137	-	278
Total equity securities	1,294	138	14	1,446
Real estate and mortgage loans, including pooled separate accounts (1)	-	-	303	303
Securities partnerships	-	-	314	314
Hedge Fund	-	-	148	148
Guaranteed deposit account contract	-	-	39	39
Cash equivalents	-	145	-	145
Total plan assets at fair value	$ 1,294	$ 1,174	$ 830	$ 3,298

(1) A pooled separate account has several participating benefit plans and each owns a share of the total pool of investments.

Changes in Level 3 plan assets

(In millions)	**Fixed Maturities & Equity Securities**	**Real Estate & Mortgage Loans**	**Securities Partnerships**	**Hedge Funds**	**Guaranteed Deposit Account Contract**	**Total**
Balance at January 1, 2012	**$ 26**	**$ 303**	**$ 314**	**$ 148**	**$ 39**	**$ 830**
Actual return on plan assets:						
Assets still held at the reporting date	**-**	**38**	**18**	**10**	**3**	**69**

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Assets sold during the period	**-**	**-**	**-**	**-**	**-**	**-**
Total actual return on plan assets	**-**	**38**	**18**	**10**	**3**	**69**
Purchases, sales, settlements, net	**5**	**11**	**(4)**	**169**	**5**	**186**
Transfers into/out of Level 3	**13**	**-**	**-**	**-**	**-**	**13**
Balance at December 31, 2012	**$ 44**	**$ 352**	**$ 328**	**$ 327**	**$ 47**	**$ 1,098**

(In millions)	**Fixed Maturities & Equity Securities**	**Real Estate & Mortgage Loans**	**Securities Partnerships**	**Hedge Fund**	**Guaranteed Deposit Account Contract**	**Total**
Balance at January 1, 2011	$ 46	$ 240	$ 347	$ -	$ 24	$ 657
Actual return on plan assets:						
Assets still held at the reporting date	1	44	66	(2)	3	112
Assets sold during the period	18	-	-	-	-	18
Total actual return on plan assets	19	44	66	(2)	3	130
Purchases, sales, settlements, net	(33)	21	(99)	150	12	51
Transfers into/out of Level 3	(6)	(2)	-	-	-	(8)
Balance at December 31, 2011	$ 26	$ 303	$ 314	$ 148	$ 39	$ 830

Assumptions for pension and other postretirement benefits

	2012	2011
Discount rate:		
Pension benefit obligation	**3.50%**	4.00%
Other postretirement benefit obligation	**3.25%**	3.75%
Pension benefit cost	**4.00%**	5.00%
Other postretirement benefit cost	**3.75%**	4.75%
Expected long-term return on plan assets:		
Pension benefit cost	**8.00%**	8.00%
Other postretirement benefit cost	**5.00%**	5.00%

Benefit Payments Expected Over Next Ten Years Table [Text Block]

(In millions)	**Pension Benefits**	**Other Postretirement Benefits**
2013	**$ 396**	**$ 35**
2014	**$ 342**	**$ 36**
2015	**$ 333**	**$ 36**
2016	**$ 331**	**$ 35**
2017	**$ 332**	**$ 34**
2018-2022	**$ 1,630**	**$ 149**

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Common and Preferred Stock (Details) (USD $) In Millions, except Share data, unless otherwise specified	0 Months Ended		12 Months Ended			14 Months Ended
	Feb. 27, 2013	Feb. 28, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Feb. 28, 2013
Schedule Of Issued Shares Paranthenticals [Abstract]						
Common stock par value			$ 0.25	$ 0.25		
Common Stock Shares Authorized			600,000,000	600,000,000		
Common And Preferred Stock Text Details [Abstract]						
Preferred Stock, Shares Outstanding			0			
Preferred Stock, Shares Authorized			25,000,000			
Preferred Stock, Par or Stated Value Per Share			$ 1			
600,000 shares authorized						
Outstanding - January 1			285,533,000	271,880,000		285,533,000
Stock Issued During Period, Shares, New Issues			0	15,200,000		
Shares Issued For Benefit Plans In Period			4,695,000	3,735,000		
Repurchase of common stock			(4,399,000)	(5,282,000)		(4,399,000)
Outstanding - December 31			285,829,000	285,533,000	271,880,000	
Treasury stock			80,316,000	80,612,000		
Issued - December 31			366,145,000	366,145,000		
Common Stock Issuance Text Details [Abstract]						
Cost of Common Stock Issued Per Share				$ 42.75		
Proceeds From Issuance Of Common Stock Net				$ 629		
Proceeds From Issuance Of Common Stock Gross				650		
Stock Repurchase Program, Remaining Authorized Repurchase Amount		815				
Payments For Repurchase Of Common Stock			208	225	201	208
Stock Repurchase Program, Authorized Amount Increase	$ 500					

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Summary of Significant Accounting Policies (Tables)	12 Months Ended Dec. 31, 2012
Accounting Policies [Abstract]	
Impact of ASU 2010-26 Adoption on Consolidated Financial Statements and International Segment	

Condensed Consolidated Statement of Income

Year Ended December 31

(In millions)	As previously reported		Effect of amended accounting guidance		As retrospectively adjusted	
	2011	2010	2011	2010	2011	2010
Revenues, excluding other revenues	$ 21,621	$ 20,874	$ -	$ -	$ 21,621	$ 20,874
Other revenues	254	260	(10)	(6)	244	254
Total Revenues	21,875	21,134	(10)	(6)	21,865	21,128
Benefits and expenses, excluding other operating expenses	13,927	13,457	-	-	13,927	13,457
Other operating expenses	5,980	5,807	82	62	6,062	5,869
Total benefits and expenses	19,907	19,264	82	62	19,989	19,326
Income before Income Taxes	1,968	1,870	(92)	(68)	1,876	1,802
Current income taxes	398	331	-	-	398	331
Deferred income taxes	242	190	(25)	(2)	217	188
Total taxes	640	521	(25)	(2)	615	519
Discontinued Operations	-	-	-	-	-	-
Net income	1,328	1,349	(67)	(66)	1,261	1,283
Less: Net income attributable to Noncontrolling Interest	1	4	-	-	1	4
Shareholders' Net Income	$ 1,327	$ 1,345	$ (67)	$ (66)	$ 1,260	$ 1,279
Earnings per share:						
Basic	$ 4.90	$ 4.93	$ (0.25)	$ (0.24)	$ 4.65	$ 4.69
Diluted	$ 4.84	$ 4.89	$ (0.25)	$ (0.24)	$ 4.59	$ 4.65

Condensed Consolidated Balance Sheet

As of December 31

(In millions)	As previously reported	Effect of amended accounting guidance	As retrospectively adjusted
	2011	2011	2011
Deferred policy acquisition costs	$ 1,312	$ (495)	$ 817
Deferred income taxes, net	632	171	803
Other assets, including other intangibles	1,776	(26)	1,750
All other assets	47,327	-	47,327
Total assets	$ 51,047	$ (350)	$ 50,697
Net translation of foreign currencies	$ (3)	$ 6	$ 3
Retained earnings	11,143	(356)	10,787
Other shareholders' equity	(2,796)	-	(2,796)
Total shareholders' equity	$ 8,344	$ (350)	$ 7,994

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Shareholders Equity and Dividend Restrictions (Details) (USD $)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Schedule Of Statutory Net Income And Surplus Details [Abstract]			
Statutory net income	$ 1,520,000,000	$ 953,000,000	$ 1,697,000,000
Statutory Surplus	6,109,000,000	5,286,000,000	5,107,000,000
Shareholders Equity And Dividends Restrictions Text Details [Abstract]			
Statutory carrying value of investments on deposit with state departments of insurance	337,000,000		
Maximum dividend distribution the Company's life insurance and HMO subsidiaries may make next year	1,100,000,000		
Restricted net assets of the Company	8,700,000,000		
Amount one of the Company's life insurance subisdiaries is permitted to loan up to the parent without prior approval	750,000,000		
Minimum Statutory Surplus Required	$ 1,700,000,000		

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Consolidated Balance Sheets (USD $)	Dec. 31, 2012	Dec. 31, 2011
Investments [Abstract]		
Fixed maturities, at fair value (amortized cost, $15,481; $14,257)	$ 17,705,000,000 [1]	$ 16,217,000,000 [2]
Equity securities, at fair value (cost, $121; $124)	111,000,000	100,000,000
Commercial Mortgage Loans	2,851,000,000	3,301,000,000
Policy loans	1,501,000,000	1,502,000,000
Real estate	83,000,000	87,000,000
Other long-term investments	1,255,000,000	1,058,000,000
Short-term investments	154,000,000	225,000,000
Total investments	23,660,000,000	22,490,000,000
Cash and cash equivalents	2,978,000,000	4,690,000,000
Accrued investment income	258,000,000	252,000,000
Premiums, accounts and notes receivable, net	1,777,000,000	1,358,000,000
Reinsurance recoverables	6,256,000,000	6,256,000,000
Deferred policy acquisition costs	1,198,000,000	817,000,000
Property and equipment	1,120,000,000	1,024,000,000
Deferred income taxes, net	374,000,000	803,000,000
Goodwill	6,001,000,000	3,164,000,000
Other assets, including other intangibles	2,355,000,000	1,750,000,000
Separate account assets	7,757,000,000	8,093,000,000
Total assets	53,734,000,000	50,697,000,000
Liabilities		
Contractholder deposit funds	8,508,000,000	8,553,000,000
Future policy benefits	9,265,000,000	8,593,000,000
Unpaid claims and claim expenses	4,062,000,000	3,936,000,000
Health Care medical claims payable	1,856,000,000	1,305,000,000
Unearned premiums and fees	549,000,000	502,000,000
Total insurance and contractholder liabilities	24,240,000,000	22,889,000,000
Accounts payable, accrued expenses and other liabilities	6,667,000,000	6,627,000,000
Short-term debt	201,000,000	104,000,000
Long-term debt	4,986,000,000	4,990,000,000
Separate account liabilities	7,757,000,000	8,093,000,000
Total liabilities	43,851,000,000	42,703,000,000
Contingencies - Note 24	0	0
Redeemable noncontrolling interest	114,000,000	0
Shareholders' Equity		
Common stock (par value per share, $0.25; shares issued,366; authorized, 600)	92,000,000	92,000,000
Additional paid-in capital	3,295,000,000	3,188,000,000
Net unrealized appreciation, fixed maturities	883,000,000	739,000,000
Net unrealized appreciation, equity securities	4,000,000	1,000,000
Net unrealized depreciation, derivatives	(28,000,000)	(23,000,000)

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Net translation of foreign currencies	69,000,000	3,000,000
Postretirement benefits liability adjustment	(1,599,000,000)	(1,507,000,000)
Accumulated other comprehensive loss	(671,000,000)	(787,000,000)
Retained earnings	12,330,000,000	10,787,000,000
Less treasury stock, at cost	(5,277,000,000)	(5,286,000,000)
Total shareholders' equity	9,769,000,000	7,994,000,000
Total liabilities and equity	53,734,000,000	50,697,000,000
Shareholders' Equity Per Share	$ 34.18	$ 28.00

[1] Fixed maturities included $875 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $108 million of appreciation for securities classified in Level 3.

[2] Fixed maturities included $826 million of net appreciation required to adjust future policy benefits for the run-off settlement annuity business including $115 million of appreciation for securities classified in Level 3.

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Fair Value Measurements (Details - Level 3) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Level 3 Financial Assets Carried At Fair Value [Abstract]		
Percent Level 3 Fixed Maturities Equity Securities	8.00%	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	$ 17,816	$ 16,317
Percent Level 3 Fixed Maturities Broker Quote	10.00%	
Percent Level 3 Securities Transaction Price	10.00%	
Other asset and mortgage-backed securities [Member] | Valued Using Pricing Models [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	598	565
Other asset and mortgage-backed securities [Member] | Maximum [Member] | Unobservable Inputs Developed By Company [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Liquidity Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	410	

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Weighting Of Credit Spreads Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	4,540
Other asset and mortgage-backed securities [Member] | Minimum [Member] | Unobservable Inputs Developed By Company [Member]	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]	
Liquidity Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	60
Weighting Of Credit Spreads Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	50
Other asset and mortgage-backed securities [Member] | Weighted Average [Member] | Unobservable Inputs Developed By Company [Member]	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]	
Liquidity Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	140
Weighting Of Credit Spreads Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	410
Corporate and government debt securities [Member] | Valued Using Pricing Models [Member]	
Fair Value, Assets and Liabilities Measured on	

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Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	596	335
Corporate and government debt securities [Member] | Maximum [Member] | Unobservable Inputs Developed By Company [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Liquidity Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	640	
Corporate and government debt securities [Member] | Minimum [Member] | Unobservable Inputs Developed By Company [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Liquidity Adjustment Used In Pricing Level 3 Securities Directly Developed By Company	20	
Corporate and government debt securities [Member] | Weighted Average [Member] | Unobservable Inputs Developed By Company [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Liquidity Adjustment Used In Pricing Level 3 Securities	190	

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Directly Developed By Company		
Corporate fixed maturities [Member] | Valued At Transaction Price [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	123	72
Equity securities [Member] | Valued At Transaction Price [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	34	30
Fair Value Inputs Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	1,351	1,002
Fair Value, Measurements, Recurring [Member] | Fair Value Inputs Level 3 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]		
Fixed Maturities And Equity Securities	1,351	1,002
Fair Value, Measurements, Recurring [Member] | Fair Value Inputs Level 3 [Member] | Other asset and mortgage-backed securities		

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[Member] | Unobservable Inputs Developed By Company [Member]

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]

Fixed Maturities And Equity Securities	584
Fair Value Measurements Valuation Techniques	The significant unobservable inputs used to value the following other asset and mortgage-backed securities are liquidity and weighting of credit spreads. An adjustment for liquidity is made as of the measurement date when there is limited trading activity for the security that considers current market conditions, issuer circumstances and complexity of the security structure. An adjustment to weight credit spreads is needed to value a more complex bond structure with multiple underlying collateral with no standard market valuation technique. The weighting of credit spreads is primarily based on the underlying collateral's characteristics and their proportional cash flows supporting the bond obligations. The resulting wide range of unobservable adjustments in the table below is due to the varying liquidity and quality of the underlying collateral, ranging from high credit quality to below investment grade.

Fair Value, Measurements, Recurring [Member] | Fair Value Inputs Level 3 [Member] | Other asset and mortgage-backed securities [Member] | Valued Using Pricing Models [Member]

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]

Fair Value Measurements Valuation Techniques	Fair values of other asset and mortgage-backed securities, corporate and government fixed maturities are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. For other asset and mortgage-backed securities, inputs and assumptions to pricing may also include collateral attributes and prepayment speeds.

Fair Value, Measurements, Recurring [Member] | Fair Value Inputs Level 3 [Member] | Corporate and government debt securities

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[Member] | Unobservable Inputs Developed By Company [Member]	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]	
Fixed Maturities And Equity Securities	$ 439
Fair Value Measurements Valuation Techniques	The significant unobservable input used to value the following corporate and government fixed maturities is an adjustment for liquidity. When there is limited trading activity for the security, an adjustment is needed to reflect current market conditions and issuer circumstances.
Fair Value, Measurements, Recurring [Member] | Fair Value Inputs Level 3 [Member] | Corporate and government debt securities [Member] | Valued Using Pricing Models [Member]	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis, Valuation Techniques [Line Items]	
Fair Value Measurements Valuation Techniques	Fair values of other asset and mortgage-backed securities, corporate and government fixed maturities are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics.

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Summary of Signficant Accounting Policies	12 Months Ended Dec. 31, 2012

Accounting Policies [Abstract]

Significant Accounting Policies [Text Block]

Note 2 — Summary of Significant Accounting Policies

A. Basis of Presentation

The Consolidated Financial Statements include the accounts of Cigna Corporation and its significant subsidiaries. Intercompany transactions and accounts have been eliminated in consolidation.

These Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Amounts recorded in the Consolidated Financial Statements necessarily reflect management's estimates and assumptions about medical costs, investment valuation, interest rates and other factors. Significant estimates are discussed throughout these Notes; however, actual results could differ from those estimates. The impact of a change in estimate is generally included in earnings in the period of adjustment.

In preparing these Consolidated Financial Statements, the Company has evaluated events that occurred between the balance sheet date and February 28, 2013.
Certain reclassifications have been made to prior year amounts to conform to the current presentation. In particular, as a result of the changes in segment reporting discussed further in Note 23, benefits expense amounts previously reported in Other Benefits Expense for the international health care business have been reclassified to Global Health Care Medical Claims Expense in the Consolidated Statements of Income. Similarly, insurance liabilities previously classified as Unpaid Claims for the international health care business have been reclassified to Global Health Care Medical Claims Payable in the Consolidated Balance Sheets.

Variable interest entities. As of December 31, 2012 and 2011 the Company determined it was not a primary beneficiary in any material variable interest entities.

B. Changes in Accounting Pronouncements

Fees Paid to the Federal Government by Health Insurers (Accounting Standards Update ("ASU") 2011-06). In 2011, the Financial Accounting Standards Board ("FASB") issued accounting guidance for a health insurance industry assessment (the "fee") mandated by the Patient Protection and Affordable Care Act of 2010 ("Health Care Reform"). This fee will be levied on health insurers beginning in 2014 based on a ratio of an insurer's net health insurance premiums written for the previous calendar year compared to the U.S. health insurance industry total. In addition, because these fees will generally not be tax deductible, the Company's effective tax rate is expected to be adversely impacted in future periods. Under the guidance, the liability for the fee will be estimated and recorded in full each year beginning in 2014 when health insurance is first provided. A corresponding deferred cost will be recorded and amortized over the calendar year. The amount of these fees is expected to be material, although the Company is unable to estimate the impact of these fees on shareholders' net income and the effective tax rate because guidance from the federal department of Health and Human Services for these calculations has not been finalized.

Deferred acquisition costs. Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2010-26) on accounting for costs to acquire or renew insurance contracts. This guidance requires certain sales compensation and telemarketing costs related to unsuccessful efforts and any indirect costs to be expensed as incurred. The Company's deferred acquisition costs arise from sales and renewal activities primarily in its Global Supplemental Benefits segment. This amended guidance was implemented through retrospective adjustment of comparative prior periods. Summarized below are the effects of this amended guidance on previously reported amounts as of December 31, 2011 and for the years ended December 31, 2011 and 2010. Previously reported amounts presented below include certain immaterial reclassifications.

Condensed Consolidated Statement of Income

Year Ended December 31

(In millions)	As previously reported		Effect of amended accounting guidance		As retrospectively adjusted	
	2011	2010	2011	2010	2011	2010
Revenues, excluding other revenues	$ 21,621	$ 20,874	$ -	$ -	$ 21,621	$ 20,874
Other revenues	254	260	(10)	(6)	244	254
Total Revenues	21,875	21,134	(10)	(6)	21,865	21,128
Benefits and expenses, excluding other operating expenses	13,927	13,457	-	-	13,927	13,457
Other operating expenses	5,980	5,807	82	62	6,062	5,869
Total benefits and expenses	19,907	19,264	82	62	19,989	19,326
Income before Income Taxes	1,968	1,870	(92)	(68)	1,876	1,802
Current income taxes	398	331	-	-	398	331

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Deferred income taxes	242	190	(25)	(2)	217	188
Total taxes	640	521	(25)	(2)	615	519
Discontinued Operations	-	-	-	-	-	-
Net income	1,328	1,349	(67)	(66)	1,261	1,283
Less: Net income attributable to Noncontrolling Interest	1	4	-	-	1	4
Shareholders' Net Income	$ 1,327	$ 1,345	$ (67)	$ (66)	$ 1,260	$ 1,279
Earnings per share:						
Basic	$ 4.90	$ 4.93	$ (0.25)	$ (0.24)	$ 4.65	$ 4.69
Diluted	$ 4.84	$ 4.89	$ (0.25)	$ (0.24)	$ 4.59	$ 4.65

Condensed Consolidated Balance Sheet

As of December 31

(In millions)	As previously reported	Effect of amended accounting guidance	As retrospectively adjusted
	2011	2011	2011
Deferred policy acquisition costs	$ 1,312	$ (495)	$ 817
Deferred income taxes, net	632	171	803
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All other assets	47,327	-	47,327
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Net translation of foreign currencies	$ (3)	$ 6	$ 3
Retained earnings	11,143	(356)	10,787
Other shareholders' equity	(2,796)	-	(2,796)
Total shareholders' equity	$ 8,344	$ (350)	$ 7,994

Presentation of Comprehensive Income. Effective January 1, 2012, the Company adopted the FASB's amended guidance (ASU 2011-05) that requires presenting net income and other comprehensive income in either a single continuous statement or in two separate, but consecutive statements. Neither measurement of comprehensive income nor disclosure requirements for reclassification adjustments between other comprehensive income and net income were affected by this amended guidance. The Company has elected to present a separate statement of comprehensive income following the statement of income and has retrospectively adjusted prior periods to conform to the new presentation, as required.

Amendments to Fair Value Measurement and Disclosure. Effective January 1, 2012, the Company adopted the FASB's amended guidance on fair value measurement and disclosure (ASU 2011-04) on a prospective basis. A key objective was to achieve common fair value measurement and disclosure requirements between U.S. GAAP and IFRS. The amended guidance changes certain fair value measurement principles and expands required disclosures to include quantitative and qualitative information about unobservable inputs in Level 3 measurements and leveling for financial instruments not carried at fair value in the financial statements. Upon adoption, there were no effects on the Company's fair value measurements. See Note 11 for expanded fair value disclosures.

Troubled debt restructurings. Effective July 1, 2011, the Company adopted the FASB's updated guidance (ASU 2011-02) to clarify for lenders that a troubled debt restructuring occurs when a debt modification is a concession to the borrower and the borrower is experiencing financial difficulties. This guidance was required to be applied retrospectively for restructurings occurring on or after January 1, 2011. The amendment also required new disclosures to be provided beginning in the third quarter of 2011 addressing certain troubled debt restructurings. Adoption of the new guidance did not have a material effect to the Company's results of operations or financial condition. See Note 12 for additional information related to commercial mortgage loans.

C. Investments

The Company's accounting policies for investment assets are discussed below:

Fixed maturities and equity securities. Most fixed maturities (including bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor) and some equity securities are classified as available for sale and are carried at fair value with changes in fair value recorded in accumulated other comprehensive income (loss) within shareholders' equity. The Company accounts for fixed maturities with fair value below amortized cost as follows:

- The Company first assesses its intent to sell or whether it is more likely than not to be required to sell such fixed maturities before their fair values recover.
- If either of those conditions is met, an impairment loss is recognized in net income for the excess of the amortized cost over fair value.

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- Even when there is no intent or requirement to sell the fixed maturity, if the Company determines that it does not expect to recover the amortized cost basis of fixed maturities the credit portion of the impairment loss is recognized in net income and the non-credit portion, if any, is recognized in accumulated other comprehensive income.
- The credit portion is the difference between amortized cost and the net present value of its projected future cash flows. Projected future cash flows are based on qualitative and quantitative factors, including the probability of default, and the estimated timing and amount of recovery. For mortgage and asset-backed securities, estimated future cash flows are also based on assumptions about the collateral attributes including prepayment speeds, default rates and changes in value.

Fixed maturities and equity securities also include trading and certain hybrid securities that are carried at fair value with changes in fair value reported in realized investment gains and losses. The Company has irrevocably elected the fair value option for these securities to simplify accounting and mitigate volatility in results of operations and financial condition. Hybrid securities include certain preferred stock and debt securities with call or conversion options.

Commercial mortgage loans. Mortgage loans held by the Company are made exclusively to commercial borrowers at a fixed rate of interest. Commercial mortgage loans are carried at unpaid principal balances or, if impaired, the lower of unpaid principal or fair value of the underlying real estate. If the fair value of the underlying real estate is less than unpaid principal, a valuation reserve is recorded and adjusted each period for changes in fair value. Commercial mortgage loans are considered impaired when it is probable that the Company will not collect amounts due according to the terms of the original loan agreement. The Company monitors credit risk and assesses the impairment of loans individually and on a consistent basis for all loans in the portfolio. The Company estimates the fair value of the underlying real estate using internal valuations generally based on discounted cash flow analyses. Certain commercial mortgage loans without valuation reserves are considered impaired because the Company will not collect all interest due according to the terms of the original agreements. However, the Company expects to recover their remaining carrying value primarily because it is less than the fair value of the underlying real estate.

Policy loans. Policy loans are carried at unpaid principal balances plus accumulated interest. The loans are collateralized by insurance policy cash values and therefore have no exposure to credit loss.

Real estate. Investment real estate can be “held and used” or “held for sale”. As of December 31, 2012 and 2011, all of the Company's real estate is classified as “held and used”. Such real estate is expected to be held longer than one year and includes real estate acquired through the foreclosure of commercial mortgage loans. The Company carries real estate held and used at depreciated cost less any write-downs to fair value due to impairment and assesses impairment when cash flows indicate that the carrying value may not be recoverable. The Company estimates the fair value of impaired real estate using internal valuations generally based on discounted cash flow analyses. Depreciation is generally calculated using the straight-line method based on the estimated useful life of the particular real estate asset. At the time of foreclosure, properties are reclassified from commercial mortgage loans to real estate or other long-term investments depending on the ownership of the underlying assets.

Other long-term investments. Other long-term investments include investments in unconsolidated entities. These entities include certain limited partnerships and limited liability companies holding real estate, securities or loans. These investments are carried at cost plus the Company's ownership percentage of reported income or loss in cases where the Company has significant influence, otherwise the investment is carried at cost. Income from certain entities is reported on a one quarter lag depending on when their financial information is received. Also included in other long-term investments are loans to unconsolidated real estate entities secured by the equity interests of these real estate entities, that are carried at unpaid principal balances (mezzanine loans). These other long-term investments are considered impaired, and written down to their fair value, when cash flows indicate that the carrying value may not be recoverable. Fair value is generally determined based on a discounted cash flow analysis.

Additionally, other long-term investments include interest rate and foreign currency swaps carried at fair value. See Note 13 for information on the Company's accounting policies for these derivative financial instruments.

Short-term investments. Investments with maturities of greater than 90 days but less than one year from time of purchase are classified as short-term, available for sale and carried at fair value, which approximates cost.

Derivative financial instruments. The Company applies hedge accounting when derivatives are designated, qualify and are highly effective as hedges. Effectiveness is formally assessed and documented at inception and each period throughout the life of a hedge using various quantitative methods appropriate for each hedge, including regression analysis and dollar offset. Under hedge accounting, the changes in fair value of the derivative and the hedged risk are generally recognized together and offset each other when reported in shareholders' net income.

The Company accounts for derivative instruments as follows:

- Derivatives are reported on the balance sheet at fair value with changes in fair values reported in shareholders' net income or accumulated other comprehensive income.
- Changes in the fair value of derivatives that hedge market risk related to future cash flows and that qualify for hedge accounting are reported in a separate caption in accumulated other comprehensive income. These hedges are referred to as cash flow hedges.
- A change in the fair value of a derivative instrument may not always equal the change in the fair value of the hedged item; this difference is referred to as hedge ineffectiveness. Where hedge accounting is used, the Company reflects hedge ineffectiveness in shareholders' net income (generally as part of realized investment gains and losses).
- On early termination, the changes in fair value of derivatives that qualified for hedge accounting are reported in shareholders' net income (generally as part of realized investment gains and losses).

Net investment income. When interest and principal payments on investments are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are delinquent based on contractual terms or when certain terms

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(interest rate or maturity date) of the investment have been restructured. Net investment income on these investments is only recognized when interest payments are actually received. Interest and dividends on trading and hybrid securities and prepayment penalties on mortgage loans are included in net investment income when they are earned.

Investment gains and losses. Realized investment gains and losses are based on specifically identified assets and result from sales, investment asset write-downs, changes in the fair values of trading and hybrid securities and certain derivatives, changes in valuation reserves and prepayment penalties on fixed maturities.

Unrealized gains and losses on fixed maturities and equity securities carried at fair value (excluding trading and hybrid securities) and certain derivatives are included in accumulated other comprehensive income (loss), net of:

- amounts required to adjust future policy benefits for the run-off settlement annuity business; and
- deferred income taxes.

- **Cash and Cash Equivalents**

Cash equivalents consist of short-term investments with maturities of three months or less from the time of purchase that are classified as held to maturity and carried at amortized cost. The Company reclassifies cash overdraft positions to accounts payable, accrued expenses and other liabilities when the legal right of offset does not exist.

- **Premiums, Accounts and Notes Receivable and Reinsurance Recoverables**

Premiums, accounts and notes receivable are reported net of an allowance for doubtful accounts of $51 million as of December 31, 2012 and $45 million as of December 31, 2011. Reinsurance recoverables are estimates of amounts that the Company will receive from reinsurers and are recorded net of an allowance for unrecoverable reinsurance of $4 million as of December 31, 2012 and $5 million as of December 31, 2011. The Company estimates these allowances for doubtful accounts for premiums, accounts and notes receivable, as well as for reinsurance recoverables, using management's best estimate of collectibility, taking into consideration the aging of these amounts, historical collection patterns and other economic factors.

F. **Deferred Policy Acquisition Costs**

Acquisition costs relate to the successful acquisition of new or renewal insurance contracts. Costs eligible for deferral include incremental, direct costs of contract acquisition and other costs directly related to successful contract acquisition. Examples of deferrable costs include commissions, sales compensation and benefits, policy issuance and underwriting costs and premium taxes. The Company records acquisition costs differently depending on the product line. Acquisition costs for:

- ***Universal life products*** are deferred and amortized in proportion to the present value of total estimated gross profits over the expected lives of the contracts.
- ***Supplemental health, life and accident insurance (primarily individual products) and group health and accident insurance products*** are deferred and amortized, generally in proportion to the ratio of periodic revenue to the estimated total revenues over the contract periods.
- ***Other products*** are expensed as incurred.

Deferred acquisition costs also include an intangible asset that primarily represents the value of business acquired by the Company with the purchase of the supplemental benefits business in 2012. See Note 3 for additional information. There are no deferred policy acquisition costs attributable to the sold individual life insurance and annuity and retirement businesses or the run-off reinsurance and settlement annuity operations.

For universal life and other individual products, management estimates the present value of future revenues less expected payments. For group health and accident insurance products, management estimates the sum of unearned premiums and anticipated net investment income less future expected claims and related costs. If management's estimates of these sums are less than the deferred costs, the Company reduces deferred policy acquisition costs and records an expense. The Company recorded amortization for policy acquisition costs of $218 million in 2012, $259 million in 2011 and $251 million in 2010 in other operating expenses.

- **Property and Equipment**

Property and equipment is carried at cost less accumulated depreciation. When applicable, cost includes interest, real estate taxes and other costs incurred during construction. Also included in this category is internal-use software that is acquired, developed or modified solely to meet the Company's internal needs, with no plan to market externally. Costs directly related to acquiring, developing or modifying internal-use software are capitalized.

The Company calculates depreciation and amortization principally using the straight-line method generally based on the estimated useful life of each asset as follows: buildings and improvements, 10 to 40 years; purchased software, one to five years; internally developed software, three to seven years; and furniture and equipment (including computer equipment), three to 10 years. Improvements to leased facilities are depreciated over the remaining lease term or the estimated life of the improvement. The Company considers events and circumstances that would indicate the carrying value of property, equipment or capitalized software might not be recoverable. If the Company determines the carrying value of a long-lived asset is not recoverable, an impairment charge is recorded. See Note 9 for additional information.

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- **Goodwill**

Goodwill represents the excess of the cost of businesses acquired over the fair value of their net assets. Goodwill primarily relates to the Global Health Care segment ($5.7 billion) and, to a lesser extent, the Global Supplemental Benefits segment ($350 million). The Company evaluates goodwill for impairment at least annually during the third quarter at the reporting unit level, based on discounted cash flow analyses and writes it down through results of operations if impaired. Consistent with prior years, the Company's evaluations of goodwill associated with these segments used the best information available at the time, including reasonable assumptions and projections consistent with those used in its annual planning process. The discounted cash flow analyses used a range of discount rates that correspond with the reporting unit's weighted average cost of capital, consistent with that used for investment decisions considering the specific and detailed operating plans and strategies within the reporting units. The resulting discounted cash flow analyses indicated estimated fair values for the reporting units exceeding their carrying values, including goodwill and other intangibles. Finally, after reallocating goodwill in conjunction with the resegmentation at December 31, 2012, the Company determined that no events or circumstances have occurred that would more likely than not reduce the fair values of the reporting units below their carrying values. See Note 9 for additional information.

- **Other Assets, including Other Intangibles**

Other assets consist of various insurance-related assets and the gain position of certain derivatives, primarily guaranteed minimum income benefits ("GMIB") assets. The Company's other intangible assets include purchased customer and producer relationships, provider networks, and trademarks. The Company amortizes other intangibles on an accelerated or straight-line basis over periods from 1 to 30 years. Management revises amortization periods if it believes there has been a change in the length of time that an intangible asset will continue to have value. Costs incurred to renew or extend the terms of these intangible assets are generally expensed as incurred. See Notes 9 and 11 for additional information.

J. Separate Account Assets and Liabilities

Separate account assets and liabilities are contractholder funds maintained in accounts with specific investment objectives. The assets of these accounts are legally segregated and are not subject to claims that arise out of any of the Company's other businesses. These separate account assets are carried at fair value with equal amounts for related separate account liabilities. The investment income, gains and losses of these accounts generally accrue to the contractholders and, together with their deposits and withdrawals, are excluded from the Company's Consolidated Statements of Income and Cash Flows. Fees and charges earned for asset management or administrative services and mortality risks are reported in premiums and fees.

K. Contractholder Deposit Funds

Liabilities for contractholder deposit funds primarily include deposits received from customers for investment-related and universal life products and investment earnings on their fund balances. These liabilities are adjusted to reflect administrative charges and, for universal life fund balances, mortality charges. In addition, this caption includes premium stabilization reserves that are insurance experience refunds for group contracts that are left with the Company to pay future premiums, deposit administration funds that are used to fund nonpension retiree insurance programs, retained asset accounts and annuities or supplementary contracts without significant life contingencies. Interest credited on these funds is accrued ratably over the contract period.

- **Future Policy Benefits**

Future policy benefits are liabilities for the present value of estimated future obligations under long-term life and supplemental health insurance policies and annuity products currently in force. These obligations are estimated using actuarial methods and primarily consist of reserves for annuity contracts, life insurance benefits, guaranteed minimum death benefit ("GMDB") contracts (see Note 7 for additional information) and certain health, life, and accident insurance products in our Global Supplemental Benefits segment.

Obligations for annuities represent specified periodic benefits to be paid to an individual or groups of individuals over their remaining lives. Obligations for life insurance policies represent benefits to be paid to policyholders, net of future premiums to be received. Management estimates these obligations based on assumptions as to premiums, interest rates, mortality and surrenders, allowing for adverse deviation. Mortality, morbidity, and surrender assumptions are based on either the Company's own experience or actuarial tables. Interest rate assumptions are based on management's judgment considering the Company's experience and future expectations, and range from 1% to 10%. Obligations for the run-off settlement annuity business include adjustments for investment returns consistent with requirements of GAAP when a premium deficiency exists.

Certain reinsurance contracts contain GMDB under variable annuities issued by other insurance companies. These obligations represent the guaranteed death benefit in excess of the contractholder's account values (based on underlying equity and bond mutual fund investments). These obligations are estimated based on assumptions regarding lapse, partial surrenders, mortality, interest rates (mean investment performance and discount rate), market volatility as well as investment returns and premiums, consistent with the requirements of GAAP when a premium deficiency exists. Lapse, partial surrenders, mortality, interest rates and volatility are based on management's judgment considering the Company's experience and future expectations. The results of futures and swap contracts used in the GMDB equity and growth interest rate hedge programs are reflected in the liability calculation as a component of investment returns. See also Note 7 for additional information.

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- **Unpaid Claims and Claims Expenses**

Liabilities for unpaid claims and claim expenses are estimates of payments to be made under insurance coverages (primarily long-term disability, workers' compensation and life and health) for reported claims and for losses incurred but not yet reported.

The Company develops these estimates for losses incurred but not yet reported using actuarial principles and assumptions based on historical and projected claim incidence patterns, claim size, subrogation recoveries and the length of time over which payments are expected to be made. The Company consistently applies these actuarial principles and assumptions each reporting period, with consideration given to the variability of these factors, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, that require the liabilities to be adequate under moderately adverse conditions.

The Company's estimate of the liability for disability claims reported but not yet paid is primarily calculated as the present value of expected benefit payments to be made over the estimated time period that a policyholder remains disabled. The Company estimates the expected time period that a policyholder may be disabled by analyzing the rate at which an open claim is expected to close (claim resolution rate). Claim resolution rates may vary based upon the length of time a policyholder is disabled, the covered benefit period, cause of disability, benefit design and the policyholder's age, gender and income level. The Company uses historical resolution rates combined with an analysis of current trends and operational factors to develop current estimates of resolution rates. The reserve for the gross monthly disability benefits due to a policyholder is reduced (offset) by the income that the policyholder receives under other benefit programs, such as Social Security Disability Income, workers' compensation, statutory disability or other group disability benefit plans. For awards of such offsets that have not been finalized, the Company estimates the probability and amount of the offset based on the Company's experience over the past three to five years.

The Company discounts certain claim liabilities related to group long-term disability and workers' compensation because benefit payments may be made over extended periods. Discount rate assumptions are based on projected investment returns for the asset portfolios that support these liabilities and range from 1.83% to 6.25%. When estimates change, the Company records the adjustment in benefits and expenses in the period in which the change in estimate is identified. Discounted liabilities associated with the long-term disability and certain workers' compensation businesses were $3.2 billion at December 31, 2012 and December 31, 2011.

N. Global Health Care Medical Claims Payable

Medical claims payable for the Global Health Care segment include both reported claims and estimates for losses incurred but not yet reported including amounts owed for services from providers and under risk-sharing and quality management arrangements with providers. The Company develops estimates for Global Health Care medical claims payable using actuarial principles and assumptions consistently applied each reporting period, and recognizes the actuarial best estimate of the ultimate liability within a level of confidence, as required by actuarial standards of practice, which require that the liabilities be adequate under moderately adverse conditions.

The liability is primarily calculated using “completion factors” (a measure of the time to process claims), which are developed by comparing the date claims were incurred, generally the date services were provided, to the date claims were paid. The Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors. The Company estimates the liability for claims incurred in each month by applying the current estimates of completion factors to the current paid claims data. This approach implicitly assumes that historical completion rates will be a useful indicator for the current period. It is possible that the actual completion rates for the current period will develop differently from historical patterns, which could have a material impact on the Company's medical claims payable and shareholders' net income.

Completion factors are impacted by several key items including changes in: 1) electronic (auto-adjudication) versus manual claim processing, 2) provider claims submission rates, 3) membership and 4) the mix of products. As noted, the Company uses historical completion factors combined with an analysis of current trends and operational factors to develop current estimates of completion factors.

In addition, for the more recent months, the Company also relies on medical cost trend analysis, which reflects expected claim payment patterns and other relevant operational considerations. Medical cost trend is primarily impacted by medical service utilization and unit costs, which are affected by changes in the level and mix of medical benefits offered, including inpatient, outpatient and pharmacy, the impact of copays and deductibles, changes in provider practices and changes in consumer demographics and consumption behavior.

Despite reflecting both historical and emerging trends in setting reserves, it is possible that the actual medical trend for the current period will develop differently from expectations, which could have a material impact on the Company's medical claims payable and shareholders' net income.

For each reporting period, the Company evaluates key assumptions by comparing the assumptions used in establishing the medical claims payable to actual experience. When actual experience differs from the assumptions used in establishing the liability, medical claims payable are increased or decreased through current period shareholders' net income. Additionally, the Company evaluates expected future developments and emerging trends which may impact key assumptions. The estimation process involves considerable judgment, reflecting the variability inherent in forecasting future claim payments. These estimates are highly sensitive to changes in the Company's key assumptions, specifically completion factors, and medical cost trends.

- **Unearned Premiums and Fees**

  Premiums for life, accident and health insurance are recognized as revenue on a pro rata basis over the contract period. Fees for mortality and contract administration of universal life products are recognized ratably over the coverage period. The unrecognized portion of these amounts received is recorded as unearned premiums and fees.

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- **Redeemable Noncontrolling Interest**

  The redeemable noncontrolling interest comprises the preferred and common stock interests not purchased by the Company in its acquisition of Finans Emeklilik in 2012 (see Note 3A for further information.) This redeemable noncontrolling interest relates to the right of the holder to require the Company to purchase the holder's 49% interest at a redemption value equal to its net assets in Finans Emklilik and the value of its inforce business in 15 years. Cigna also has the right to require the holder to sell its 49% interest to Cigna for the same value in 15 years. The redeemable noncontrolling interest was recorded at fair value on the date of purchase. Subsequently, if the estimated redemption value exceeds the recorded value for the redeemable noncontrolling interest, an adjustment to increase the redeemable noncontrolling interest will be recorded and impact income available to common shareholders.

- **Accounts Payable, Accrued Expenses and Other Liabilities**

  Accounts payable, accrued expenses and other liabilities consist principally of liabilities for pension, other postretirement and postemployment benefits (see Note 10), the loss position of certain derivatives, primarily for GMIB contracts (see Note 13), self-insured exposures, management compensation and various insurance-related items, including experience rated refunds, the minimum medical loss ratio rebate accrual under Health Care Reform, amounts related to reinsurance contracts and insurance-related assessments that management can reasonably estimate. Accounts payable, accrued expenses and other liabilities also include certain overdraft positions. Legal costs to defend the Company's litigation and arbitration matters are expensed when incurred in cases that the Company cannot reasonably estimate the ultimate cost to defend. In cases that the Company can reasonably estimate the cost to defend, these costs are recognized when the claim is reported.

- **Translation of Foreign Currencies**

  The Company generally conducts its international business through foreign operating entities that maintain assets and liabilities in local currencies, which are generally their functional currencies. The Company uses exchange rates as of the balance sheet date to translate assets and liabilities into U.S. dollars. Translation gains or losses on functional currencies, net of applicable taxes, are recorded in accumulated other comprehensive income (loss). The Company uses average monthly exchange rates during the year to translate revenues and expenses into U.S. dollars.

- **Premiums and Fees, Revenues and Related Expenses**

Premiums for group life, accident and health insurance and managed care coverages are recognized as revenue on a pro rata basis over the contract period. Benefits and expenses are recognized when incurred. Premiums and fees include revenue from experience-rated contracts that is based on the estimated ultimate claim, and in some cases, administrative cost experience of the contract. For these contracts, premium revenue includes an adjustment for experience-rated refunds which is calculated according to contract terms and using the customer's experience (including estimates of incurred but not reported claims). Beginning in 2011, premium revenue also includes an adjustment to reflect the estimated effect of rebates due to customers under the minimum medical loss ratio provisions of Health Care Reform.

Premiums for individual life, accident and supplemental health insurance and annuity products, excluding universal life and investment-related products, are recognized as revenue when due. Benefits and expenses are matched with premiums.

Premiums and fees received for the Company's Medicare Advantage Plans and Medicare Part D products from customers and the Centers for Medicare and Medicaid Services (CMS) are recognized as revenue ratably over the contract period. CMS provides risk adjusted premium payments for the Medicare Advantage Plans and Medicare Part D products, based on the demographics and health severity of enrollees. The Company recognizes periodic changes to risk adjusted premiums as revenue when the amounts are determinable and collection is reasonably assured. Additionally, Medicare Part D includes payments from CMS for risk sharing adjustments. The risk sharing adjustments, that are estimated quarterly based on claim experience, compare actual incurred drug benefit costs to estimated costs submitted in original contracts and may result in more or less revenue from CMS. Final revenue adjustments are determined through an annual settlement with CMS that occurs after the contract year.

Revenue for investment-related products is recognized as follows:

- Net investment income on assets supporting investment-related products is recognized as earned.
- Contract fees, that are based upon related administrative expenses, are recognized in premiums and fees as they are earned ratably over the contract period.

Benefits and expenses for investment-related products consist primarily of income credited to policyholders in accordance with contract provisions.

Revenue for universal life products is recognized as follows:

- Net investment income on assets supporting universal life products is recognized as earned.
- Fees for mortality and surrender charges are recognized as assessed, that is as earned.
- Administration fees are recognized as services are provided.

Benefits and expenses for universal life products consist of benefit claims in excess of policyholder account balances. Expenses are recognized when claims are submitted, and income is credited to policyholders in accordance with contract provisions.

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Contract fees and expenses for administrative services only programs and pharmacy programs and services are recognized as services are provided net of estimated refunds under performance guarantees. In some cases, the Company provides performance guarantees associated with meeting certain service standards, clinical outcomes or financial metrics. If these service standards, clinical outcomes or financial metrics are not met, the Company may be financially at risk up to a stated percentage of the contracted fee or a stated dollar amount. The Company establishes deferred revenues for estimated payouts associated with these performance guarantees. Approximately 16% of ASO fees reported for the year ended December 31, 2012 were at risk, with reimbursements estimated to be approximately 1%.

Mail order pharmacy revenues and cost of goods sold are recognized as each prescription is shipped.

- **Stock Compensation**

The Company records compensation expense for stock awards and options over their vesting periods primarily based on the estimated fair value at the grant date. Compensation expense is recorded for stock options over their vesting period based on fair value at the grant date which is calculated using an option-pricing model. Compensation expense is recorded for restricted stock grants and units over their vesting periods based on fair value, which is equal to the market price of the Company's common stock on the date of grant. Compensation expense for strategic performance shares is recorded over the performance period. For strategic performance shares with payment dependent on market condition, fair value is determined at the grant date using a Monte Carlo simulation model and not subsequently adjusted regardless of the final outcome. For strategic performance shares with payment dependent on performance conditions, expense is initially accrued based on the most likely outcome, but evaluated for adjustment each period for updates in the expected outcome. At the end of the performance period, expense is adjusted to the actual outcome (number of shares awarded times the share price at the grant date).

- **Participating Business**

The Company's participating life insurance policies entitle policyholders to earn dividends that represent a portion of the earnings of the Company's life insurance subsidiaries. Participating insurance accounted for approximately 1% of the Company's total life insurance in force at the end of 2012, 2011 and 2010.

- **Income Taxes**

The Company and its domestic subsidiaries file a consolidated United States federal income tax return. The Company's foreign subsidiaries file tax returns in accordance with foreign law. U.S. taxation of these foreign subsidiaries may differ in timing and amount from taxation under foreign laws. Reportable U.S. taxable income for these subsidiaries is reflected in the U.S. tax return of the affiliates' domestic parent.

The Company recognizes deferred income taxes when the financial statement and tax-based carrying values of assets and liabilities are different. In addition, deferred income tax liabilities are recognized on the unremitted earnings of foreign subsidiaries that are not permanently invested overseas. For subsidiaries whose earnings are considered permanently invested overseas, income taxes are accrued at the local foreign tax rate. The Company establishes valuation allowances against deferred tax assets if it is determined more likely than not that the deferred tax asset will not be realized. The need for a valuation allowance is determined based on the evaluation of various factors, including expectations of future earnings and management's judgment. Note 20 contains detailed information about the Company's income taxes.

The Company recognizes interim period income taxes by determining an estimated annual effective tax rate and applying that rate to year-to-date pretax results. The estimated annual effective tax rate is updated periodically based on revised projections of full year income. Although the effective tax rate approach is generally used for interim periods, taxes on significant, unusual and infrequent items are recognized at the statutory tax rate entirely in the period the amounts are realized.

- **Earnings Per Share**

The Company computes basic earnings per share using the weighted-average number of unrestricted common and deferred shares outstanding. Diluted earnings per share also includes the dilutive effect of outstanding employee stock options and unvested restricted stock granted after 2009 using the treasury stock method and the effect of strategic performance shares.

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Income Taxes (Tables)

12 Months Ended Dec. 31, 2012

Income Taxes Tables [Abstract]

Componenets of income taxes

(In millions)	2012	2011	2010
Current taxes			
U.S. income	**$ 604**	$ 320	$ 267
Foreign income	**72**	58	45
State income	**43**	20	19
	719	398	331
Deferred taxes (benefits)			
U.S. income	**131**	193	187
Foreign income	**4**	23	8
State income	**(1)**	1	(7)
	134	217	188
Total income taxes	**$ 853**	$ 615	$ 519

Reconciliation of total taxes to nominal federal rate

(In millions)	2012	2011	2010
Tax expense at nominal rate	**$ 867**	$ 657	$ 631
Tax-exempt interest income	**(28)**	(29)	(31)
Effect of permanently invested foreign earnings	**(37)**	(17)	(11)
Dividends received deduction	**(3)**	(4)	(3)
Resolution of federal tax matters	**-**	(30)	-
State income tax (net of federal income tax benefit)	**28**	14	9
Change in valuation allowance	**6**	5	(93)
Other	**20**	19	17
Total income taxes	**$ 853**	$ 615	$ 519

Schedule of deferred income tax assets and liabilities

(In millions)	2012	2011
Deferred tax assets		
Employee and retiree benefit plans	**$ 765**	**$** 829
Investments, net	**95**	108
Other insurance and contractholder liabilities	**486**	443
Deferred gain on sale of businesses	**28**	46
Policy acquisition expenses	**147**	151
Loss carryforwards	**9**	8
Other accrued liabilities	**164**	109
Bad debt expense	**21**	17
Other	**33**	37
Deferred tax assets before valuation allowance	**1,748**	1,748
Valuation allowance for deferred tax assets	**(42)**	(45)
Deferred tax assets, net of valuation allowance	**1,706**	1,703
Deferred tax liabilities		
Depreciation and amortization	**704**	377
Foreign operations, net	**147**	128
Unrealized appreciation on investments and foreign currency translation	**481**	395
Total deferred tax liabilities	**1,332**	900
Net deferred income tax assets	**$ 374**	$ 803

Reconciliation of unrecognized tax benefits

(In millions)	2012	2011	2010
Balance at January 1,	**$ 52**	$ 177	$ 214
Decrease due to prior year positions	**(5)**	(113)	(55)
Increase due to current year positions	**7**	7	34
Reduction related to settlements with taxing authorities	**-**	(17)	(13)
Reduction related to lapse of applicable statute of limitations	**(3)**	(2)	(3)
Balance at December 31,	**$ 51**	$ 52	$ 177

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Pension and Other Postretirement Benefits (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Pension And Other Postretirement Footnote Text Details [Abstract]			
Increase (decrease) to postretirement benefits liability adjustment pre-tax	$ 129	$ 558	$ 301
Increase (decrease) to postretirement benefits liability adjustement after-tax	92	360	189
Pension Benefits [Member]			
Change in benefit obligation [Abstract]			
Benefit obligation, January 1	5,067	4,691	
Service cost	3	2	2
Interest cost	198	228	240
Loss from past experience	283	453	
Benefits paid from plan assets	(256)	(273)	
Benefits paid - other	(28)	(34)	
Benefit obligation, December 31	5,267	5,067	4,691
Change in plan assets [Roll Forward]			
Fair value of plan assets, January 1	3,298	3,163	
Actual return on plan assets	370	156	
Benefits paid	(256)	(273)	
Contributions	253	252	
Fair value of plan assets, December 31	3,665	3,298	3,163
Funded Status	(1,602)	(1,769)	
Postretirement benefits liability adjustment included in AOCI table details [Abstract]			
Unrecognized net gain (loss)	(2,450)	(2,331)	
Unrecognized prior service cost	(5)	(5)	
Postretirement benefits liabilty adjustment	(2,455)	(2,336)	
Components of net pension cost and other postretirement benefits cost tables detail [Abstract]			
Service cost	3	2	2
Interest cost	198	228	240
Expected long-term return on plan assets	(270)	(267)	(253)
Amortization of net loss from past experience	58	38	28
Settlement loss	6	0	0
Net pension cost	(5)	1	17
Pension And Other Postretirement Footnote Text Details [Abstract]			

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Defined Benefit Plan Accumulated Benefit Obligations	5,300	5,100	
Expected minimum required funding contributions next year	For 2013, the Company expects to make minimum required and voluntary contributions totaling approximately $250 million.		
Expected pre-tax gains (losses) related to amortization of prior experience	(75)		
Weighted average amortization period for amortization of past experience	28 years		
Other Postretirement Benefits [Member]			
Change in benefit obligation [Abstract]			
Benefit obligation, January 1	452	444	
Service cost	2	2	1
Interest cost	16	20	22
Loss from past experience	(2)	16	
Benefits paid from plan assets	(3)	(2)	
Benefits paid - other	(23)	(28)	
Benefit obligation, December 31	442	452	444
Change in plan assets [Roll Forward]			
Fair value of plan assets, January 1	22	23	
Actual return on plan assets	1	1	
Benefits paid	(3)	(2)	
Contributions		0	
Fair value of plan assets, December 31	20	22	23
Funded Status	(422)	(430)	
Postretirement benefits liability adjustment included in AOCI table details [Abstract]			
Unrecognized net gain (loss)	(28)	(30)	
Unrecognized prior service cost	23	35	
Postretirement benefits liabilty adjustment	(5)	5	
Components of net pension cost and other postretirement benefits cost tables detail [Abstract]			
Service cost	2	2	1
Interest cost	16	20	22
Expected long-term return on plan assets	(1)	(1)	(1)
Amortization of prior service cost	(12)	(16)	(18)
Net pension cost	5	5	4
Results of a 1% increase or decrease in healthcare benefits estimate range table details [Abstract]			
Effect of increase on postretirement benefit obligation	12		

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Effect of decrease on postretirement benefit obligation	10	
Retiree Health Benefits [Member]		
Pension And Other Postretirement Footnote Text Details [Abstract]		
Defined Benefit Plan Accumulated Benefit Obligations	294	302
Expected pre-tax gains (losses) related to amortization of prior experience	0	
Weighted average amortization period for amortization of past experience	11 years	
Expected pre-tax gains (losses) related to amortization of net prior service cost	9	
Weighted Average Remaining amortization period for prior service costs	2 years 6 months	
Estimated rate of future increases in the per capita cost of health care benefits	7.50%	
Estimated decrease in rate per year of future increases in the per capita cost of health care benefits	decreasing by 0.5% per year	
Estimated rate of future increases in the per capita cost of health care benefits in 2018 and beyond	5.00%	
Year that estimated rate of future cost of health care is realized	2018	
Retiree Life Insurance Benefits [Member]		
Pension And Other Postretirement Footnote Text Details [Abstract]		
Defined Benefit Plan Accumulated Benefit Obligations	$ 148	$ 150

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Accumulated Other Comprehensive Income (Loss) (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Net unrealized appreciation, securities pre-tax:			
Net unrealized appreciation (depreciation) on securities arising during the period pre-tax	$ 271	$ 366	$ 319
Reclassification adjustment for (gains) losses included in shareholders' net income pre-tax	(52)	(49)	(92)
Net unrealized appreciation (depreciation), securities pre-tax	219	317	227
Net unrealized appreciation (depreciation) derivatives pre-tax	(7)	1	8
Net translation of foreign currencies pre-tax	78	(21)	40
Postretirement benefits liability adjustment pre-tax:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs pre-tax	52	22	10
Net change arising from assumption and plan changes and experience	(181)	(580)	(311)
Net postretirement benefits liability adjustment pre-tax	(129)	(558)	(301)
Net unrealized appreciation, securities tax (expense) benefit:			
Net unrealized appreciation (depreciation) on securities arising during the period tax (expense) benefit	(90)	(127)	(109)
Reclasification adjustment for (gains) losses included in shareholders' net income tax (expense) benefit	18	18	32
Net unrealized appreciation (depreciation), securities tax (expense) benefit	(72)	(109)	(77)
Net unrealized appreciation (depreciation) derivatives tax (expense) benefit	2	0	(2)
Net translation of foreign currencies tax (expense) benefit	(12)	(1)	(7)
Postretirement benefits liability adjustment tax (expense) benefit:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs tax (expense) benefit	(18)	(7)	(4)
Net change arising from assumption and plan changes and experience tax (expense) benefit	55	205	116
Net postretirement benefits liability adjustment tax (expense) benefit	37	198	112
Net realized appreciation, securities after-tax:			
Net unrealized appreciation (depreciation) on securities arising during the period after-tax	181	239	210
Reclassification adjustment for (gains) losses included in shareholders' net income after-tax	(34)	(31)	(60)
Net unrealized appreciation (depreciation), securities after-tax	147	208	150
Net unrealized appreciation (depreciation), derivatives after-tax	(5)	1	6
Net translation of foreign currencies after-tax	66	(22)	33
Postretirement benefits liability adjustment after-tax:			
Reclassification adjustment for amortization of net losses from past experience and prior service costs after-tax	34	15	6
Net change arising from assumption and plan changes and experience after-tax	(126)	(375)	(195)
Net postretirement benefits liability adjustment after-tax	$ (92)	$ (360)	$ (189)

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Acquisitions and Dispositions (Details - Finans Emeklilik Condensed Balance Sheet) (USD $) In Millions, unless otherwise specified	Nov. 09, 2012
Business Acquisition, Purchase Price Allocation, Assets Acquired (Liabilities Assumed), Net [Abstract]	
Separate account assets	$ 99
Finans Emeklilik [Member]	
Business Acquisition, Purchase Price Allocation, Assets Acquired (Liabilities Assumed), Net [Abstract]	
Investments	23
Cash and cash equivalents	54
Value of business acquired (reported in Deferred policy acquisition costs in Condensed Balance Sheet)	28
Goodwill	113
Other assets, including other intangibles	100
Total assets acquired	417
Insurance liabilities	58
Accounts payable, accrued expenses and other liabilities	33
Separate account liabilities	99
Total liabilities acquired	190
Redeemable noncontrolling interest	111
Net assets acquired	$ 116

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Shareholders Equity and Dividend Restrictions	12 Months Ended Dec. 31, 2012
Shareholders Equity And Dividend Restrictions [Abstract]	
Stockholders' Equity And Dividend Restrictions	

Note 19 — Shareholders' Equity and Dividend Restrictions

State insurance departments and foreign jurisdictions that regulate certain of the Company's subsidiaries prescribe accounting practices (which differ in some respects from GAAP) to determine statutory net income and surplus. The Company's life insurance and HMO company subsidiaries are regulated by such statutory requirements. The statutory net income for the years ended, and statutory surplus as of, December 31 of the Company's life insurance and HMO subsidiaries were as follows:

(In millions)	**2012**	2011	2010
Net income	**$ 1,520**	$ 953	$ 1,697
Surplus	**$ 6,109**	$ 5,286	$ 5,107

The minimum statutory surplus required by regulators for the Company's life insurance and HMO company subsidiaries was approximately $1.7 billion as of December 31, 2012. As of December 31, 2012, statutory surplus for each of the Company's life insurance and HMO subsidiaries is sufficient to meet the minimum required by regulators. As of December 31, 2012, the Company's life insurance and HMO subsidiaries had investments on deposit with state departments of insurance with statutory carrying values of $337 million. The Company's life insurance and HMO subsidiaries are also subject to regulatory restrictions that limit the amount of annual dividends or other distributions (such as loans or cash advances) insurance companies may extend to the parent company without prior approval of regulatory authorities. The maximum dividend distribution that the Company's life insurance and HMO subsidiaries may make during 2013 without prior approval is approximately $1.1 billion. Restricted net assets of the Company as of December 31, 2012, were approximately $8.7 billion. Certain life insurance subsidiaries of the Company are permitted to loan up to $750 million to the parent company without prior approval.

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Quarterly Financial Data (Details) (USD $) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Consolidated Quarterly Results [Abstract]											
Total revenues	$ 7,620	$ 7,323	$ 7,422	$ 6,754	$ 5,425	$ 5,574	$ 5,479	$ 5,387	$ 29,119	$ 21,865	$ 21,128
Income from Continuing Operations before Income Tax (Foreign)	619	718	588	552	432	273	592	579			
Shareholders' net income	406 [1]	466 [2]	380 [3]	371 [4]	273 [5]	183 [6]	391 [7]	413 [8]	1,623	1,260	1,279
Shareholders Net Income Per Share [Abstract]											
Shareholders' net income per share basic	$ 1.43	$ 1.64	$ 1.33	$ 1.30	$ 0.99	$ 0.68	$ 1.46	$ 1.53	$ 5.70	$ 4.65	$ 4.69
Shareholders' net income per share diluted	$ 1.41	$ 1.61	$ 1.31	$ 1.28	$ 0.98	$ 0.67	$ 1.43	$ 1.51	$ 5.61	$ 4.59	$ 4.65
Stock And Dividend Data [Abstract]											
Price Range Common Stock High	$ 54.53	$ 47.92	$ 49.63	$ 49.89	$ 47.61	$ 52.95	$ 51.81	$ 44.29			
Price Range Common Stock Low	$ 47.31	$ 39.34	$ 42.21	$ 41.27	$ 38.82	$ 40.24	$ 42.80	$ 36.76			
Dividends Declared Per Share	$ 0	$ 0	$ 0	$ 0.04	$ 0	$ 0	$ 0	$ 0.04	$ 0.04	$ 0.04	$ 0.04
Quarterly Financial Data Text Details [Abstract]											
Quarterly Financial Information Quarterly Charges And Credits Amount Affecting Comparability Resolution Federal Tax Matter								24			
Quarterly Financial Information Quarterly Charges And Credits Amount Affecting Comparability Cost Reduction Program		(50)									
Quarterly Financial Information Quarterly Charges And Credits Amount Affecting Comparability Acquisition Costs		(12)		(28)	(31)						
Quarterly Financial Information Quarterly Guaranteed Income Benefits Expense After Tax	7	32	(51)	41	7	(134)	(21)	13			
Quarterly Financial Information Quarterly Charges	$ (68)			$ (13)							

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And Credits Amount Affecting
Comparability Litigation
Charges

[1] The fourth quarter of 2012 includes an after-tax gain of $7 million for the GMIB business and an after-tax charge of $68 million for litigation matters

[2] The third quarter of 2012 includes an after-tax gain of $32 million for the GMIB business, an after-tax charge of $12 million for costs associated with acquisitions, and an after-tax charge of $50 million for costs associated with a realignment and efficiency plan.

[3] The second quarter of 2012 includes an after-tax loss of $51 million for the GMIB business.

[4] The first quarter of 2012 includes an after-tax gain of $41 million for the GMIB business, an after-tax charge of $28 million for costs associated with acquisitions, and an after-tax charge of $13 million for costs associated a litigation matter in Global Health Care.

[5] The fourth quarter of 2011 includes an after-tax gain of $7 million for the GMIB business and, an after-tax charge of $31 million for costs associated with acquisitions.

[6] The third quarter of 2011 includes an after-tax loss of $134 million for the GMIB business.

[7] The second quarter of 2011 includes an after-tax loss of $21 million for the GMIB business.

[8] The first quarter of 2011 includes an after-tax gain of $13 million for the GMIB business and a net tax benefit of $24 million related to the resolution of a Federal tax matter.

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Global Health Care Medical Claims Payable (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Paid claims related to:			
Balance at December 31, net	$ 4,062	$ 3,936	
Add: Reinsurance and other amounts recoverable	6,256	6,256	
Accident and Health Insurance Segment [Member]			
Schedule Of Reported and Incurred but not Reported (IBNR) Medical Claims Payable (Details) [Abstract]			
Incurred but not yet reported	1,541	1,059	
Reported claims in process	243	232	
Other medical expense payable	72	14	
Medical claims payable	1,856	1,305	
Schedule Of Medical Claims Payable Activity [Abstract]			
Claims payable, beginning balance, gross	1,305	1,400	1,045
Less: Reinsurance and other amounts recoverable	249	284	257
Balance at January 1, net	1,056	1,116	788
Acquired net:	504	0	0
Incurred claims related to:			
Current year	14,428	9,265	9,337
Prior years	(200)	(140)	(115)
Total incurred	14,228	9,125	9,222
Paid claims related to:			
Current year	12,854	8,227	8,217
Prior years	1,320	958	677
Total paid	14,174	9,185	8,894
Balance at December 31, net	1,614	1,056	1,116
Add: Reinsurance and other amounts recoverable	242	249	284
Claims payable, ending balance, gross	1,856	1,305	1,400
Causes of Increase (Decrease) in Liability for Unpaid Claims and Claims Adjustment Expense [Abstract]			
(Favorable) Unfavorable incurred claims related to prior years' claims payable	(200)	(140)	
Incurred claims related to prior years' claims payable percentage	2.20%	1.50%	
Impact Of Prior Year Development On Shareholders Net Income	66	49	
Completion Factors [Member] | Accident and Health Insurance Segment [Member]			
Causes of Increase (Decrease) in Liability for Unpaid Claims and Claims Adjustment Expense [Abstract]			
(Favorable) Unfavorable incurred claims related to prior years' claims payable	(91)	(96)	
Incurred claims related to prior years' claims payable percentage	1.00%	1.00%	
Medical Cost Trend [Member] | Accident and Health Insurance Segment [Member]			

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Causes of Increase (Decrease) in Liability for Unpaid Claims and Claims Adjustment Expense [Abstract]		
(Favorable) Unfavorable incurred claims related to prior years' claims payable	$ (109)	$ (44)
Incurred claims related to prior years' claims payable percentage	1.20%	0.50%

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Schedule IV - Reinsurance	12 Months Ended Dec. 31, 2012
Supplemental Schedule of Reinsurance Premiums for Insurance Companies [Abstract]	
Supplemental Schedule of Reinsurance Premiums for Insurance Companies [Text Block]	

CIGNA CORPORATION AND SUBSIDIARIES

SCHEDULE IV
REINSURANCE
(in millions)

	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
Year Ended December 31, 2012:					
Life insurance in force	$ 710,140	$ 52,435	$ 8,168	$ 665,873	1.2%
Premiums and fees:					
Life insurance and annuities	$ 2,025	$ 268	$ 29	$ 1,786	1.6%
Accident and health insurance	24,163	201	439	24,401	1.8%
Total	$ 26,188	$ 469	$ 468	$ 26,187	1.8%
Year Ended December 31, 2011:					
Life insurance in force	$ 606,587	$ 53,088	$ 9,163	$ 562,662	1.6%
Premiums and fees:					
Life insurance and annuities	$ 1,990	$ 280	$ 40	$ 1,750	2.3%
Accident and health insurance	17,229	167	154	17,216	0.9%
Total	$ 19,219	$ 447	$ 194	$ 18,966	1.0%
Year Ended December 31, 2010:					
Life insurance in force	$ 566,841	$ 44,335	$ 9,734	$ 532,240	1.8%
Premiums and fees:					
Life insurance and annuities	$ 2,026	$ 264	$ 107	$ 1,869	5.7%
Accident and health insurance	16,153	173	425	16,405	2.6%
Total	$ 18,179	$ 437	$ 532	$ 18,274	2.9%

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Investments	12 Months Ended Dec. 31, 2012
Investments [Abstract]	
Investments	

Note 12 — Investments

- **Fixed Maturities and Equity Securities**

Securities in the following table are included in fixed maturities and equity securities on the Company's Consolidated Balance Sheets. The Company's hybrid investments include certain preferred stock or debt securities with call or conversion features.

(In millions)	**2012**	2011
Included in fixed maturities:		
Trading securities (amortized cost: $1; $2)	**$ 1**	$ 2
Hybrid securities (amortized cost: $15; $26)	**15**	28
Total	**$ 16**	$ 30
Included in equity securities:		
Hybrid securities (amortized cost: $84; $90)	**$ 70**	$ 65

Fixed maturities included federal government securities of $54 million at December 31, 2012 and $79 million at December 31, 2011, that were pledged as collateral to brokers as required under certain futures contracts.

The following information about fixed maturities excludes trading and hybrid securities. The amortized cost and fair value by contractual maturity periods for fixed maturities were as follows at December 31, 2012:

(In millions)	**Amortized Cost**	**Fair Value**
Due in one year or less	**$ 1,121**	**$ 1,141**
Due after one year through five years	**5,211**	**5,633**
Due after five years through ten years	**5,283**	**5,973**
Due after ten years	**2,850**	**3,796**
Mortgage and other asset-backed securities	**1,000**	**1,146**
Total	**$ 15,465**	**$ 17,689**

Actual maturities could differ from contractual maturities because issuers may have the right to call or prepay obligations, with or without penalties. Also, in some cases the Company may extend maturity dates.

Gross unrealized appreciation (depreciation) on fixed maturities by type of issuer is shown below (excluding trading securities and hybrid securities with a fair value of $16 million at December 31, 2012 and $30 million at December 31, 2011).

(In millions)	**December 31, 2012**			
	Amortized Cost	**Unrealized Appre-ciation**	**Unrealized Depre-ciation**	**Fair Value**
Federal government and agency	**$ 509**	**$ 393**	**$ -**	**$ 902**
State and local government	**2,169**	**270**	**(2)**	**2,437**
Foreign government	**1,197**	**126**	**(1)**	**1,322**
Corporate	**10,590**	**1,308**	**(17)**	**11,881**
Federal agency mortgage-backed	**121**	**1**	**-**	**122**
Other mortgage-backed	**82**	**11**	**(4)**	**89**
Other asset-backed	**797**	**145**	**(6)**	**936**
Total	**$ 15,465**	**$ 2,254**	**$ (30)**	**$ 17,689**
(In millions)	December 31, 2011			
Federal government and agency	$ 552	$ 406	$ -	$ 958
State and local government	2,185	274	(3)	2,456
Foreign government	1,173	103	(2)	1,274
Corporate	9,460	1,070	(45)	10,485
Federal agency mortgage-backed	9	-	-	9

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Other mortgage-backed	73	10	(4)	79
Other asset-backed	777	160	(11)	926
Total	$ 14,229	$ 2,023	$ (65)	$ 16,187

The above table includes investments with a fair value of $3.1 billion supporting the Company's run-off settlement annuity business, with gross unrealized appreciation of $883 million and gross unrealized depreciation of $8 million at December 31, 2012. Such unrealized amounts are required to support future policy benefit liabilities of this business and, as such, are not included in accumulated other comprehensive income. At December 31, 2011, investments supporting this business had a fair value of $3 billion, gross unrealized appreciation of $851 million and gross unrealized depreciation of $25 million.

As of December 31, 2012, the Company had commitments to purchase $58 million of fixed maturities, most of which bear interest at a fixed market rate.

Review of declines in fair value. Management reviews fixed maturities with a decline in fair value from cost for impairment based on criteria that include:

- length of time and severity of decline;
- financial health and specific near term prospects of the issuer;
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and
- the Company's intent to sell or the likelihood of a required sale prior to recovery.

Excluding trading and hybrid securities, as of December 31, 2012, fixed maturities with a decline in fair value from amortized cost (primarily corporate, and other asset and mortgage-backed securities) were as follows, including the length of time of such decline:

(Dollars in millions)	**December 31, 2012**			
	Fair Value	**Amortized Cost**	**Unrealized Depreciation**	**Number of Issues**
Fixed maturities:				
One year or less:				
Investment grade	**$ 488**	**$ 494**	**$ (6)**	**200**
Below investment grade	**$ 123**	**$ 125**	**$ (2)**	**67**
More than one year:				
Investment grade	**$ 195**	**$ 207**	**$ (12)**	**39**
Below investment grade	**$ 26**	**$ 36**	**$ (10)**	**14**

As of December 31, 2012, the unrealized depreciation of investment grade fixed maturities is primarily due to increases in market yields since purchase. Excluding trading and hybrid securities, equity securities with a fair value lower than cost were not material at December 31, 2012.

- **Commercial Mortgage Loans**

Mortgage loans held by the Company are made exclusively to commercial borrowers and are diversified by property type, location and borrower. Loans are secured by high quality, primarily completed and substantially leased operating properties.

At December 31, commercial mortgage loans were distributed among the following property types and geographic regions:

(In millions)	**2012**	2011
Property type		
Office buildings	**$ 866**	$ 1,014
Apartment buildings	**571**	705
Industrial	**532**	670
Hotels	**463**	542
Retail facilities	**346**	297
Other	**73**	73
Total	**$ 2,851**	$ 3,301
Geographic region		
Pacific	**$ 966**	$ 893
South Atlantic	**730**	870

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New England	**387**	450
Central	**352**	511
Middle Atlantic	**300**	391
Mountain	**116**	186
Total	**$ 2,851**	$ 3,301

At December 31, 2012, scheduled commercial mortgage loan maturities were as follows (in millions): $419 in 2013, $290 in 2014, $318 in 2015, $791 in 2016 and $1,033 thereafter. Actual maturities could differ from contractual maturities for several reasons: borrowers may have the right to prepay obligations, with or without prepayment penalties; the maturity date may be extended; and loans may be refinanced.

As of December 31, 2012, the Company had commitments to extend credit under commercial mortgage loan agreements of $6 million.

Credit quality. The Company applies a consistent and disciplined approach to evaluating and monitoring credit risk, beginning with the initial underwriting of a mortgage loan and continuing throughout the investment holding period. Mortgage origination professionals employ an internal rating system developed from the Company's experience in real estate investing and mortgage lending. A quality rating, designed to evaluate the relative risk of the transaction, is assigned at each loan's origination and is updated each year as part of the annual portfolio loan review. The Company monitors credit quality on an ongoing basis, classifying each loan as a loan in good standing, potential problem loan or problem loan.

Quality ratings are based on internal evaluations of each loan's specific characteristics considering a number of key inputs, including real estate market-related factors such as rental rates and vacancies, and property-specific inputs such as growth rate assumptions and lease rollover statistics. However, the two most significant contributors to the credit quality rating are the debt service coverage and loan-to-value ratios. The debt service coverage ratio measures the amount of property cash flow available to meet annual interest and principal payments on debt. A debt service coverage ratio below 1.0 indicates that there is not enough cash flow to cover the loan payments. The loan-to-value ratio, commonly expressed as a percentage, compares the amount of the loan to the fair value of the underlying property collateralizing the loan.

]

The following tables summarize the credit risk profile of the Company's commercial mortgage loan portfolio using carrying values classified based on loan-to-value and debt service coverage ratios, as of December 31, 2012 and 2011:

(In millions)	**December 31, 2012**					
	Debt Service Coverage Ratio					
Loan-to-Value Ratios	**1.30x or Greater**	**1.20x to 1.29x**	**1.10x to 1.19x**	**1.00x to 1.09x**	**Less than 1.00x**	**Total**
Below 50%	$ **297**	$ **8**	$ **-**	$ **50**	$ **-**	$ **355**
50% to 59%	**614**	**104**	**25**	**52**	**-**	**795**
60% to 69%	**562**	**75**	**-**	**66**	**-**	**703**
70% to 79%	**194**	**143**	**132**	**4**	**16**	**489**
80% to 89%	**45**	**42**	**131**	**18**	**58**	**294**
90% to 99%	**14**	**30**	**-**	**-**	**58**	**102**
100% or above	**-**	**-**	**30**	**17**	**66**	**113**
Total	$ **1,726**	$ **402**	$ **318**	$ **207**	$ **198**	$ **2,851**

(In millions)	December 31, 2011					
	Debt Service Coverage Ratio					
Loan-to-Value Ratios	1.30x or Greater	1.20x to 1.29x	1.10x to 1.19x	1.00x to 1.09x	Less than 1.00x	Total
Below 50%	$ 225	$ 55	$ 3	$ 50	$ 9	$ 342
50% to 59%	444	47	26	-	53	570
60% to 69%	646	140	42	-	77	905
70% to 79%	117	132	120	159	33	561
80% to 89%	99	81	79	72	71	402
90% to 99%	36	35	30	58	116	275

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100% or above	-	10	50	51	135	246
Total	$ 1,567	$ 500	$ 350	$ 390	$ 494	$ 3,301

The Company's annual in-depth review of its commercial mortgage loan investments is the primary mechanism for identifying emerging risks in the portfolio. The most recent review was completed by the Company's investment professionals in the second quarter of 2012 and included an analysis of each underlying property's most recent annual financial statements, rent rolls, operating plans, budgets, a physical inspection of the property and other pertinent factors. Based on historical results, current leases, lease expirations and rental conditions in each market, the Company estimates the current year and future stabilized property income and fair value, and categorizes the investments as loans in good standing, potential problem loans or problem loans. Based on property valuations and cash flows estimated as part of this review, and considering updates for loans where material changes were subsequently identified, the portfolio's average loan-to-value ratio improved to 65% at December 31, 2012, decreasing from 70% as of December 31, 2011. The portfolio's average debt service coverage ratio was estimated to be 1.56 at December 31, 2012, a significant improvement from 1.40 at December 31, 2011.
Quality ratings are adjusted between annual reviews if new property information is received or events such as delinquency or a borrower's request for restructure cause management to believe that the Company's estimate of financial performance, fair value or the risk profile of the underlying property has been impacted.

During 2012, the Company restructured a $119 million problem mortgage loan, net of a valuation reserve, into two notes carried at $100 million and $19 million. The $100 million note was reclassified to impaired commercial mortgage loans with no valuation reserves and the $19 million note was classified as another long-term investment. This modification was considered a troubled debt restructuring because the borrower was experiencing financial difficulties and an interest rate concession was granted. No valuation reserve was required because the fair value of the underlying property equaled the carrying value of the outstanding loan. Following the restructuring, the $100 million note was paid down by $46 million with the remaining $54 million note reclassified to good standing due to an improved quality rating based on significant improvements in its loan-to-value and debt service coverage ratios resulting from the annual loan review.

During 2011, the Company restructured a $65 million potential problem loan into two notes carried at $55 million and $10 million. This modification was considered a troubled debt restructuring because the borrower was experiencing financial difficulties and an interest rate concession was granted. No valuation reserve was required because the fair value of the underlying property exceeded the carrying value of the outstanding loan. As a part of this restructuring, the borrowers and the Company have committed to fund additional capital for leasing and capital requirements.

Other loans were modified during 2012 and 2011, but were not considered troubled debt restructures. The impact of modifications to these loans was not material to the Company's results of operations, financial condition or liquidity.

Potential problem mortgage loans are considered current (no payment more than 59 days past due), but exhibit certain characteristics that increase the likelihood of future default. The characteristics management considers include, but are not limited to, the deterioration of debt service coverage below 1.0, estimated loan-to-value ratios increasing to 100% or more, downgrade in quality rating and request from the borrower for restructuring. In addition, loans are considered potential problems if principal or interest payments are past due by more than 30 but less than 60 days. Problem mortgage loans are either in default by 60 days or more or have been restructured as to terms, which could include concessions on interest rate, principal payment or maturity date. The Company monitors each problem and potential problem mortgage loan on an ongoing basis, and updates the loan categorization and quality rating when warranted.

Problem and potential problem mortgage loans, net of valuation reserves, totaled $215 million at December 31, 2012 and $336 million at December 31, 2011. At December 31, 2012, mortgage loans located in the South Atlantic region represented the most significant component of problem and potential problem mortgage loans, with no significant concentration by property type. At December 31, 2011, mortgage loans collateralized by industrial properties represent the most significant component of problem and potential problem mortgage loans, with no significant concentration by geographic region.

Impaired commercial mortgage loans. The carrying value of the Company's impaired commercial mortgage loans and related valuation reserves were as follows:

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(In millions)	2012			2011		
	Gross	**Reserves**	**Net**	Gross	Reserves	Net
Impaired commercial mortgage loans with valuation reserves	**$ 72**	**$ (7)**	**$ 65**	$ 154	$ (19)	$ 135
Impaired commercial mortgage loans with no valuation reserves	**60**	**-**	**60**	60	-	60
Total	**$ 132**	**$ (7)**	**$ 125**	$ 214	$ (19)	$ 195

During 2012, the Company recorded a $10 million pre-tax ($7 million after-tax) increase in valuation reserves on three impaired commercial mortgage loans collateralized by industrial properties and one impaired commercial mortgage loan collateralized by a retail property. The average recorded investment in impaired loans was $167 million during 2012 and $176 million during 2011. The Company recognizes interest income on problem mortgage loans only when payment is actually received because of the risk profile of the underlying investment. Additional interest income that would have been reflected in net income if interest on non-accrual commercial mortgage loans had been received in accordance with the original terms was not significant for 2012 or 2011. Interest income on impaired commercial mortgage loans was not significant for 2012 or 2011. See Note 2 for further information on impaired commercial mortgage loans.

The following table summarizes the changes in valuation reserves for commercial mortgage loans:

(In millions)	**2012**	2011
Reserve balance, January 1,	**$ 19**	$ 12
Increase in valuation reserves	**10**	16
Charge-offs upon sales and repayments, net of recoveries	**(3)**	(1)
Transfers to other long-term investments	**(16)**	-
Transfers to foreclosed real estate	**(3)**	(8)
Reserve balance, December 31,	**$ 7**	$ 19

- **Real Estate**

As of December 31, 2012 and 2011, real estate investments consisted primarily of office and industrial buildings in California. Investments with a carrying value of $49 million as of December 31, 2012 and 2011 were non-income producing during the preceding twelve months. As of December 31, 2012, the Company had commitments to contribute additional equity of $7 million to real estate investments.

- **Other Long-Term Investments**

As of December 31, other long-term investments consisted of the following:

(In millions)	**2012**	2011
Real estate entities	**$ 823**	$ 665
Securities partnerships	**343**	298
Interest rate and foreign currency swaps	**6**	12
Mezzanine loans	**31**	31
Other	**52**	52
Total	**$ 1,255**	$ 1,058

Investments in real estate entities and securities partnerships with a carrying value of $199 million at December 31, 2012 and $171 million at December 31, 2011 were non-income producing during the preceding twelve months.

As of December 31, 2012, the Company had commitments to contribute:

- $197 million to limited liability entities that hold either real estate or loans to real estate entities that are diversified by property type and geographic region; and
- $312 million to entities that hold securities diversified by issuer and maturity date.

The Company expects to disburse approximately 50% of the committed amounts in 2013.

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E. **Short-Term Investments and Cash Equivalents**

Short-term investments and cash equivalents included corporate securities of $1.1 billion, federal government securities of $167 million and money market funds of $217 million as of December 31, 2012. The Company's short-term investments and cash equivalents as of December 31, 2011 included corporate securities of $4.1 billion, federal government securities of $164 million and money market funds of $40 million. The decrease during 2012 is primarily due to funds used to acquire HealthSpring. See Note 3 for further information.

F. **Concentration of Risk**

As of December 31, 2012 and 2011, the Company did not have a concentration of investments in a single issuer or borrower exceeding 10% of shareholders' equity.

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Investment Income (Details) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	$ 1,184	$ 1,183	$ 1,143
Less: investment expenses	40	37	38
Net investment income	1,144	1,146	1,105
Fixed Maturities [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	843	817	788
Equity securities [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	4	6	6
Commercial Mortgage Loans [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	192	218	221
Policy Loans [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	74	86	90
Real estate and mortgage loans, including pooled separate accounts [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	(2)	(2)	(2)
Other Long Term Investments [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	59	48	29
Short-term investments and cash [Member]			
Schedule Of Investment Income Reported Amounts By Category [Line Items]			
Gross investment income	$ 14	$ 10	$ 11

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