



# CIGNA Investor Day



Welcome

November 16, 2007



# CIGNA Investor Day

## Strategic Overview of CIGNA

H. Edward Hanway  
Chairman and CEO  
CIGNA Corporation



# FORWARD LOOKING STATEMENTS

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

- CIGNA and its representatives may from time to time make written and oral forward-looking statements, including statements contained in press releases, in CIGNA'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, CIGNA's productivity initiatives, litigation and other legal matters, operational improvement in the health care operations, and the outlook for CIGNA's full year 2007 and 2008 results. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe", "expect", "plan", "intend", "anticipate", "estimate", "predict", "potential", "may", "should", or similar expressions.
- You should not place undue reliance on these forward-looking statements. CIGNA cautions that actual results could differ materially from those that management expects, depending on the outcome of certain factors. Some factors that could cause actual results to differ materially from the forward-looking statements include:
  1. increased medical costs that are higher than anticipated in establishing premium rates in CIGNA's health care operations, including increased use and costs of medical services;
  2. increased medical, administrative, technology or other costs resulting from new legislative and regulatory requirements imposed on CIGNA's employee benefits;
  3. challenges and risks associated with implementing operational improvement initiatives and strategic actions in the health care operations, including those related to: (i) offering products that meet emerging market needs, (ii) strengthening underwriting and pricing effectiveness, (iii) strengthening medical cost and medical membership results, (iv) delivering quality member and provider service using effective technology solutions, and (v) lowering administrative costs;
  4. risks associated with pending and potential state and federal class action lawsuits, purported securities class action lawsuits, disputes regarding reinsurance arrangements, other litigation and regulatory actions challenging CIGNA's businesses and the outcome of pending government proceedings and federal tax audits;
  5. heightened competition, particularly price competition, which could reduce product margins and constrain growth in CIGNA's businesses, primarily the health care business;
  6. significant changes in interest rates;
  7. downgrades in the financial strength ratings of CIGNA's insurance subsidiaries, which could, among other things, adversely affect new sales and retention of current business;
  8. limitations on the ability of CIGNA's insurance subsidiaries to dividend capital to the parent company as a result of downgrades in the subsidiaries' financial strength ratings, changes in statutory reserve or capital requirements or other financial constraints;
  9. inability of the program adopted by CIGNA to substantially reduce equity market risks for reinsurance contracts that guarantee minimum death benefits under certain variable annuities (including possible market difficulties in entering into appropriate futures contracts and in matching such contracts to the underlying equity risk);
  10. adjustments to the reserve assumptions (including lapse, partial surrender, mortality, interest rates and volatility) used in estimating CIGNA's liabilities for reinsurance contracts covering guaranteed minimum death benefits under certain variable annuities;
  11. adjustments to the assumptions (including annuity election rates and reinsurance recoverables) used in estimating CIGNA's assets and liabilities for reinsurance contracts that guarantee minimum income benefits under certain variable annuities;
  12. significant stock market declines, which could, among other things, result in increased pension expenses of CIGNA's pension plans in future periods and the recognition of additional pension obligations;
  13. unfavorable claims experience related to workers' compensation and personal accident exposures of the run-off reinsurance business, including losses attributable to the inability to recover claims from retrocessionaires;
  14. significant deterioration in economic conditions, which could have an adverse effect on CIGNA's operations and investments;
  15. changes in public policy and in the political environment, which could affect state and federal law, including legislative and regulatory proposals related to health care issues, which could increase cost and affect the market for CIGNA's health care products and services; and amendments to income tax laws, which could affect the taxation of employer provided benefits, and pension legislation, which could increase pension cost;
  16. potential public health epidemics and bio-terrorist activity, which could, among other things, cause CIGNA's covered medical and disability expenses, pharmacy costs and mortality experience to rise significantly, and cause operational disruption, depending on the severity of the event and number of individuals affected;
  17. risks associated with security or interruption of information systems, which could, among other things, cause operational disruption; and
  18. challenges and risks associated with the successful management of CIGNA's outsourcing projects or key vendors, including the agreement with IBM for provision of technology infrastructure and related services.
- This list of important factors is not intended to be exhaustive. Other sections of our most recent Annual Report on Form 10-K, including the "Risk Factors" section, the Cautionary Statement in Management's Discussion and Analysis of Financial Condition and Results of Operations, our Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007, and other documents filed with the Securities and Exchange Commission include both expanded discussion of these factors and additional risk factors and uncertainties that could preclude CIGNA from realizing the forward-looking statements. CIGNA does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.





# CIGNA Investor Day

## **Engaging the Customer Broad – Deep – For Life** CIGNA HealthCare

David Cordani,  
President CIGNA HealthCare





# CIGNA Investor Day

## Knowing the Customer CIGNA HealthCare

Matt Manders  
Senior Vice President  
Employer Segments

Michael Showalter  
Senior Vice President  
Strategy and Marketing



# Employers Promote Healthy Behavior

- Financial incentives for workers with healthy lifestyles
- Effort to control health care costs and increase productivity
- Superior performance\*
  - 20% more revenue per employee
  - 16.1% higher market value
  - 57% higher shareholder returns



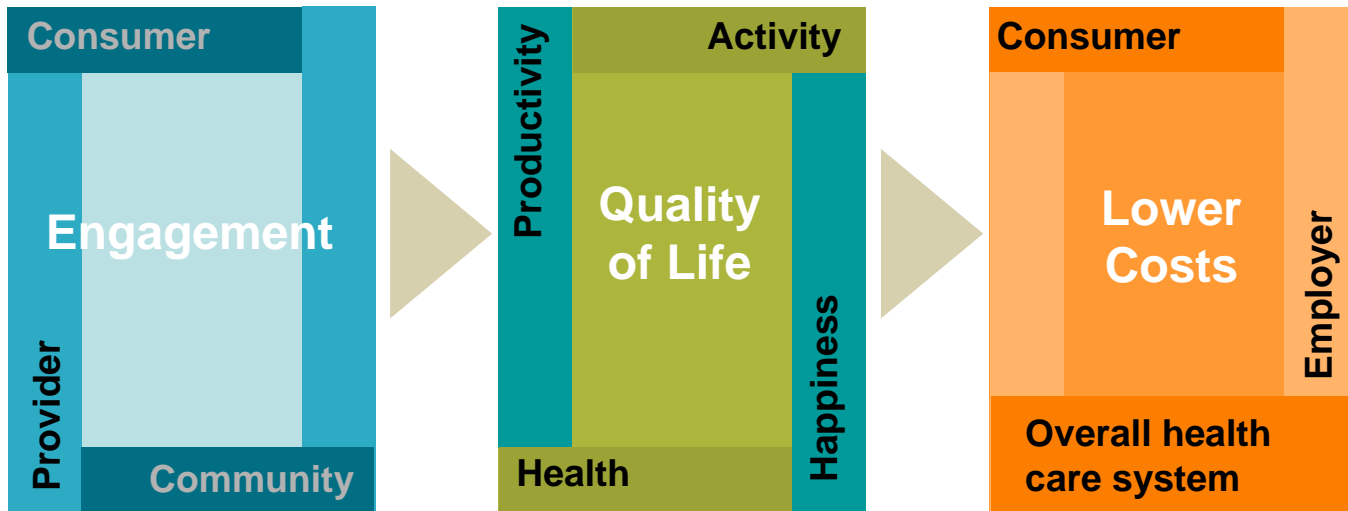
*\* From 2004-2006*

*(National Business Group on Health and Watson Wyatt, Nov. 2007)*





# Fundamental Tenet

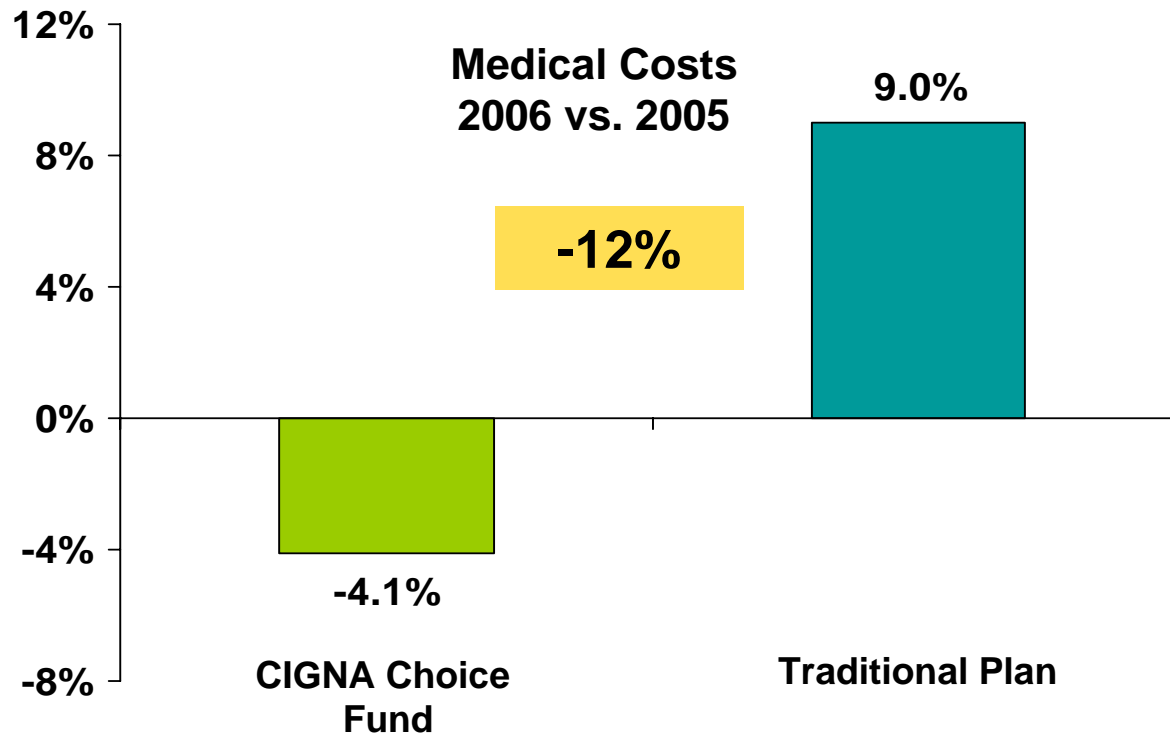


## How we help?

- **Consumer Innovation Lab**
- Usable Information on Cost and Quality
- Custom Benefit Builder
- Simplified Communications
- Empathy and Understanding



# Real Savings



# Medical Membership Growth

Industry-leading  
5-5.5% in 2007  
(organically)

2-3% 1<sup>st</sup> Quarter 2008

3-5% FY 2008





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# Health Services Company

*Health*

*Well-being*

*Security*