



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-4561

February 23, 2011

Ronald O. Mueller
Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036-5306

Re: CIGNA Corporation
Incoming letter dated December 28, 2010

Dear Mr. Mueller:

This is in response to your letter dated December 28, 2010 concerning the shareholder proposal submitted to CIGNA by the Sisters of the Humility of Mary. We also have received a letter on the proponent's behalf dated February 6, 2011. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponent.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Gregory S. Belliston
Special Counsel

Enclosures

cc: Paul M. Neuhauser
1253 North Basin Lane
Siesta Key
Sarasota, FL 34242

February 23, 2011

**Response of the Office of Chief Counsel
Division of Corporation Finance**

Re: CIGNA Corporation
Incoming letter dated December 28, 2010

The proposal requests that the board report how the company is responding to regulatory, legislative, and public pressures to ensure affordable health care coverage and the measures the company is taking to contain price increases of health insurance premiums.

There appears to be some basis for your view that CIGNA may exclude the proposal under rule 14a-8(i)(7), as relating to CIGNA's ordinary business operations. In this regard, we note that the proposal relates to the manner in which the company manages its expenses. Accordingly, we will not recommend enforcement action to the Commission if CIGNA omits the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Hagen Ganem
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

PAUL M. NEUHAUSER

Attorney at Law (Admitted New York and Iowa)

1253 North Basin Lane
Siesta Key
Sarasota, FL 34242

Tel and Fax: (941) 349-6164

Email: pmneuhauser@aol.com

February 6, 2011

Securities & Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Att: Heather Maples, Esq.
Special Counsel
Division of Corporation Finance

Via email to shareholderproposals@sec.gov

Re: Shareholder Proposal submitted to Cigna Corporation

Dear Sir/Madam:

I have been asked by the Sisters of the Humility of Mary (hereinafter referred to as the "Proponent"), who are the beneficial owners of shares of common stock of Cigna Corporation (hereinafter referred to either as "Cigna" or the "Company"), and who have submitted a shareholder proposal to Cigna, to respond to the letter dated December 28, 2010, sent by Gibson Dunn on behalf of Cigna to the Securities & Exchange Commission, in which Cigna contends that the Proponent's shareholder proposal may be excluded from the Company's year 2011 proxy statement by virtue of Rule 14a-8(i)(7).

I have reviewed the Proponent's shareholder proposal, as well as the aforesaid letter sent by the Company, and based upon the foregoing, as well as upon a review of Rule 14a-8, it is my opinion that the Proponent's shareholder proposal must be included in Cigna's year 2011 proxy statement and that it is not excludable by virtue of the cited rule.

The Proponent's shareholder proposal requests the Company to report on its efforts to ensure affordable healthcare coverage.

RULE 14a-8(i)(7)

A.

It is difficult to imagine an issue of public policy more important or more in the realm of public discourse than health care reform. It is therefore surely incontrovertible that health care reform, including considerations of affordable health care, raises an important policy issue for all registrants, even those not in the health insurance business. See *Nucor Corporation* (February 27, 2009); *PepsiCo, Inc.* (February 26, 2009); *Bank of America Corporation* (February 17, 2009); *General Motors Corporation* (March 26, 2008); *Exxon Mobil Corporation* (February 25, 2008); *Xcel Energy, Inc.* (February 15, 2008); *The Boeing Company* (February 5, 2008); *United Technologies Corporation* (January 31, 2008). *A fortiori*, it is an important policy issue for those in the industry. *United Health Group Incorporated* (April 2, 2008) (on reconsideration, excluded on other grounds (April 15, 2008)).

The Company attempts to denigrate the importance of the Proponent's shareholder proposal by trying to characterize it as one dealing merely with administrative costs. This is clearly not so, as any fair reading of the proposal makes abundantly clear. On the contrary, the proposal asks the reasonable question of how, post the recent Health Care legislation and other public pressures, the Company intends to "ensure affordable health care coverage" and how it plans to contain premiums.

How wide of the mark the Company's argument is is very well illustrated by its reliance, as the very first Staff letter supposedly supporting its contention, on the *Medallion* letter. In that letter the issue was whether the proponent's proposal concerned *exclusively* an "extraordinary transaction" when it merely asked that "an investment banking concern be engaged to evaluate alternatives to maximize shareholder value" including, but apparently not limited to, a sale of the company. The supporting statement concerned itself mostly with what the proponent deemed to be excessive operating costs. In the circumstances, the Staff not surprisingly found that "the proposal appears to relate to both extraordinary transactions and non-extraordinary transactions". It is difficult to see the relevance of that letter to the instant situation which certain does not involve the question of whether an extraordinary transaction is being requested.

The next four letters relied upon by Cigna each involved attempts to micro-manage the registrant's activities and/or failed to raise a significant policy issue, and are therefore inapposite. Thus, *Allstate* involved a request for information on litigation costs, as did the *Puerto Rican Cement* proposal. Similarly, the *Florida Power* letter involved a proposal that totally failed to raise any significant policy issue, but rather tried to tell the Board how to run the company. In the words of the Staff, it involved a proposal requesting that the Board "cease the further dilution of the equity and earnings of the shareholders". Finally, in *Rogers* the proponent proposed the adoption of specified benchmarks for the registrant, such as profit margins of at least 13% and a current ratio of at least 2:1. In contrast, the Proponent's shareholder proposal merely mentions, in the Whereas Clauses, certain general constraints and problems that Cigna faces in the current economic/political situation. The statement by the Company (second sentence, carryover paragraph at the bottom of page 4 of its letter) that "the Proposal seeks to impose shareholder oversight on decisions on how the Company markets its services and manages other

administrative costs” is simply untrue. At no point in either the Resolve Clause itself or in the Whereas Causes does the proposal suggest HOW the company should accomplish the suggested goals enumerated in the Resolve Clause. Rather, the proposal requests a report on by the Company itself on how it will accomplish the goals. Nor by any rational analysis can merely mentioning the “caps” provision in the recent Federal Health Care law be deemed to constitute attempting “to regulate some of the quintessential functions of management”.

Finally, the *Johnson & Johnson* Staff letter renders nil support for the Company’s position. We submit that there is no truth whatsoever to the Company’s assertion that the proposal there at issue “was worded virtually identically to the Proposal presented here”. Although the *J & J* proposal did indeed use language that overlaps with the language in the Proponent’s proposal, the thrust of the *J & J* proposal is not to be found in that overlapping language, but rather in what was explicitly requested in *J & J*, namely that that registrant “review [its] pricing and marketing policies”. The Staff decision explicitly cites that, and only that, language in deeming the proposal to relate to the registrant’s ordinary business operations.

B.

The thrust of the Proponent’s proposal is not to inquire how the Company will comply with various laws and regulations. Rather, it is how the Company will comply with societal pressure to ensure that there is affordable health care coverage. For example, the mention by the Proponent in the fifth Whereas Clause of the fact that exchanges will have the authority to bar certain plans from the exchange is hardly a statement that Cigna must comply with the law. Indeed, Cigna is not required to become a member of any exchange and it may or may not apply to be on one or more exchanges. A reference to possible requirements on such exchanges hardly constitutes a request to comply with mandatory legal requirements. Similarly, the references in the following paragraph to the fact that rate requests may be subjected to enhanced state scrutiny or that “Congressional leaders” have called for greater transparency are hardly requests to comply with the law. Nor does summarizing in Whereas Clause paragraph four the Proponent’s understanding of certain changes that will result from the recent legislation constitute a call for the Company to comply with the law.

Consequently, none of the Staff letters cited by Cigna are relevant. The Company makes the contention (first full paragraph, page 7) that the proposal involves “overseeing and managing the Company’s compliance with applicable laws”. This is quite simply untrue and a caricature of the Proponent’s proposal which does no such thing. Rather, it asks how the Company will respond to societal pressures to provide affordable health care coverage and contain premium increases.

Consequently, the Staff letters cited by Cigna are irrelevant to the Proponent’s shareholder proposal. In each and every Staff letter cited by the Company, the proponent, in essence, asked the registrant to do what the law required of it. In contrast, the Proponent is asking Cigna to go well beyond the law and to respond to the widespread societal desire to “ensure affordable health care coverage” and “contain the price increases” in premiums. Neither is mandated by law. In contrast, in the *Bear Stearns* letter, relied upon heavily by the Company,

the request was to assess the impacts on, and costs to, the registrant of certain legislation. In the instant situation, contrary to the Company's assertion (see final sentence of first full paragraph, page 6), the Company is NOT being asked to "report on how the Company is managing costs in light of recent legislation and regulatory initiatives". The Proponent's proposal asks no such thing. Rather, it requests the Company to explain how it will provide "affordable health care" and "contain "price increases. A resolution identical to that in *Bear Stearns* was also at issue in the *Morgan Stanley* letter, also heavily relied upon by Cigna. Finally, although the Company cites some thirteen additional letters, each of them is even further off the mark since each involved a direct request to follow some provision or aspect of law.

C.

The Company's argument has been sufficiently refuted by the prior portions of this letter.

In summary, for the forgoing reasons, the Proponent's shareholder proposal is not excludable by virtue of Rule 14a-9(i)(7).

In conclusion, we request the Staff to inform the Company that the SEC proxy rules require denial of the Company's no action request. We would appreciate your telephoning the undersigned at 941-349-6164 with respect to any questions in connection with this matter or if the staff wishes any further information. Faxes can be received at the same number. Please also note that the undersigned may be reached by mail or express delivery at the letterhead address (or via the email address).

Very truly yours,

Paul M. Neuhauser
Attorney at Law

cc: Ronald O. Mueller
Sister Barbara Sitko
Cathy Rowan
Fr Michael Crosby
Laura Berry

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036-5306
Tel 202.955.8500
www.gibsondunn.com

December 28, 2010

Ronald O. Mueller
Direct: 202.955.8671
Fax: 202.530.9569
RMueller@gibsondunn.com

Client: C 17212-00067

VIA E-MAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *CIGNA Corporation*
Shareholder Proposal of the Sisters of the Humility of Mary
Exchange Act of 1934—Rule 14a-8

Dear Ladies and Gentlemen:

This letter is to inform you that our client, CIGNA Corporation (the “Company”), intends to omit from its proxy statement and form of proxy for its 2011 Annual Meeting of Shareholders (collectively, the “2011 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof received from the Sisters of the Humility of Mary (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2011 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 2

THE PROPOSAL

The Proposal states:

RESOLVED: Shareholders request that the Board of Directors report by December 2011 (at reasonable cost and omitting proprietary information) how our company is responding to regulatory, legislative and public pressures to ensure affordable health care coverage and the measures our company is taking to contain the price increases of health insurance premiums.

A copy of the Proposal, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2011 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations (*i.e.*, management of marketing and other administrative expenditures, and compliance with laws).

ANALYSIS

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to its "ordinary business operations." According to the Commission release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two "central considerations" for the ordinary business exclusion. The first was that certain tasks were "so fundamental to management's ability to run a company on a day-to-day basis" that they could not be subject to direct shareholder oversight. The Commission added, "[e]xamples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers." The second consideration related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 3

A. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Company's Administrative Expenditures

The Proposal asks the Company's Board of Directors to report on measures being taken to "to contain the price increases of health insurance premiums." The Proposal is intended to, and necessarily does, implicate the Company's oversight and management of its administrative costs, including marketing costs, and thereby implicates the Company's ordinary business operations. This aspect of the Proposal is reflected by the supporting statement, which states:

According to [a] Commonwealth Fund report, administrative costs currently account for nearly 13% of insurance premiums. Administrative costs range from about 5% for large employers and firms that self-insured, to 30% of the premium for individuals who purchase their own insurance. Higher costs for marketing, underwriting, churning, benefit complexity, and brokers' fees explain the bulk of the difference[.]

In the paragraph following the one quoted above, the supporting statement states that health insurers will be required by recently enacted legislation "to report the share of premiums spent on nonmedical costs." Still later, the supporting statement comments that health insurance exchanges authorized under recent federal legislation "will have authority to . . . set caps on . . . overhead." Finally, in arguing for the Proposal, the paragraph that immediately precedes the Proposal declares:

While passage of health reform legislation was a major achievement, there are ongoing concerns as to its long-term affordability and accountability for controlling costs. Failure to control costs could undermine the goals of health care reform. . . .

In this context, the language in the Proposal calling for information on "the measures our company is taking to contain the price increases of health insurance premiums" clearly encompasses information on the Company's oversight and management of administrative costs.

The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of shareholder proposals that implicate and seek to oversee a company's ordinary business operations, including how companies choose to allocate corporate funds toward marketing and other administrative expenses. In this respect, the Proposal is substantively the same as one considered in *Medallion Financial Corp.* (avail. May 11, 2004). There, the proposal requested that the company engage an investment banking firm "to evaluate alternatives to maximize stockholder value including a sale of the company." Although the proposal

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 4

specifically addressed a sale of the entire company – a matter which the Staff has viewed as raising significant policy issues – the supporting statement included a paragraph arguing that one of the reasons the company was not maximizing shareholder value was “Medallion’s very high operating expenses.” Medallion pointed out to the Staff that the inclusion of operating expenses showed the proposal was not limited to extraordinary transactions, and thus implicated the company’s ordinary business operations. The Staff concurred that the proposal could be excluded based on Rule 14a-8(i)(7). *See also Allstate Corp.* (avail. Feb. 5, 2003); *Puerto Rican Cement Co., Inc.* (avail. Mar. 25, 2002) (in each case, concurring that proposals requesting company reports on legal expenses were excludable under Rule 14a-8(i)(7)); *Rogers Corp.* (avail. Jan. 18, 1991) (concurring with the exclusion of a proposal and noting that the “day-to-day financial operations” of the company constituted ordinary business matters where the proposal asked the company’s board of directors to adopt specific financial performance standards and contained, in its supporting statement, contentions that “[b]oard deliberations on spending allocations” had resulted in excessive spending on research and development).

The above-cited letters are part of a long line of precedent that includes *Florida Power & Light Co.* (avail. Jan. 18, 1983). There, the company received a proposal requesting the board to use “every available means consistent with insuring the safe efficient operation and financial integrity of the company, to minimize and cease the further dilution of the equity and earnings of the shareholders.” The company argued, and the Staff concurred, that the proposal necessarily implicated “the determination of whether or not to seek further rate increases, *reduce capital expenditures, reduce operating costs* or utilize other means to reduce dilution” (emphasis added), and thereby implicated matters relating to the Company’s ordinary business operations.

The Proposal’s focus on administrative costs renders it excludable under Rule 14a-8(i)(7) because it seeks to micro-manage the Company’s day-to-day expenses on items best left to the discretion of the Company’s management. In addition, the Proposal seeks to impose shareholder oversight on decisions on how the Company markets its services and manages other administrative costs; matters that involve the type of complex decisions that are “so fundamental to management’s ability to run a company on a day-to-day basis.” Similarly, by noting in the supporting statement that proposed insurance exchanges may cap “overhead” at certain percentages of premium costs, the Proponent sweeps into the Proposal’s scope such basic day-to-day expenses as salaries and maintenance costs. By focusing on impending restrictions on overhead costs and singling out administrative costs for special scrutiny, the Proposal attempts to regulate some of the quintessential functions of management. In this respect, the Proposal also is identical to one that was addressed in *Johnson & Johnson* (avail. Jan. 12, 2004). There, the Sisters of Charity of Saint Elizabeth presented a proposal that was worded virtually identically to the Proposal presented here. Specifically, in *Johnson & Johnson*, the Proposal requested “That the Board of Directors review pricing and marketing

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 5

policies and prepare a report (at reasonable cost and omitting proprietary information), available to shareholders by September, 2004, on how our company will respond to rising regulatory, legislative and public pressure to increase access to and affordability of needed prescription drugs.” The Staff concurred in exclusion under Rule 14a-8(i)(7) of the proposal in *Johnson & Johnson*, commenting that the proposal related to “its ordinary business operations (i.e., marketing and public relations).”

In *Johnson & Johnson*, “marketing policies” were mentioned in the text of the proposal while here, as discussed above, the Proposal’s supporting statement repeatedly mentions the Company’s marketing and other administrative cost decisions. The location of these references does not alter the fact that the Proposal implicates ordinary business considerations, for (as noted in the letter in *Johnson & Johnson*) the Staff consistently has taken the position that proponents may not circumvent Rule 14a-8(i)(7) where it is clear from the supporting statement or otherwise that the proposal implicates ordinary business matters. For example, in *General Electric Co. (St. Joseph Health System and the Sisters of St. Francis of Philadelphia)* (avail. Jan. 10, 2005), the Staff concurred in the exclusion of a proposal where the “resolved” clause related to the company’s executive compensation policy (an issue the Staff has determined raises significant policy considerations) because the supporting statement demonstrated that the proposal implicated the issue of the depiction of smoking in motion pictures. Likewise, in *Corrections Corporation of America* (avail. Mar. 15, 2006), the Staff concurred that a proposal could be excluded under Rule 14a-8(i)(7) where the “resolved” clause addressed a particular executive compensation policy but the supporting statement related to general compensation matters. See also *Medallion Financial Corp.*, discussed above, where language in the supporting statement demonstrated that the proposal implicated ordinary business matters. Here, the Proposal necessarily implicates the ordinary business issue of marketing and other administrative costs; the request in the Proposal for information on “the measures our company is taking to contain the price increases of health insurance premiums” is a clear reference that encompasses how the Company is managing such costs, and the numerous references in the supporting statement to marketing, overhead and administrative costs bear this out.

B. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Relates To The Company’s Compliance With State And Federal Laws

The Proposal’s supporting statement devotes nearly four full paragraphs to addressing the ways in which compliance with federal and state legislation and regulation are implicated by the Proposal. The Proponent states, for example, that “health insurers will be required to submit justification for unreasonable premium increases to the federal and relevant state governments” and that health insurance exchanges “will have authority to reject plans with excessive premium increases and to set caps on insurance profits and overhead” In offering these arguments, the supporting statement demonstrates that the Proposal would

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 6

require the Company to describe steps being taken to comply with health care laws and regulations, which falls squarely within the confines of the Company's ordinary business.

The Staff has consistently recognized a company's compliance with laws and regulations as a matter of ordinary business and proposals relating to a company's legal compliance program as infringing on management's core function of overseeing business practices. *See, e.g., The Bear Stearns Companies Inc.* (avail. Feb. 14, 2007) (proposal requesting a Sarbanes-Oxley ("SOX") Right-to-Know Report assessing the costs and benefits of SOX on the company's in-house operations and the impact of SOX on the company's investment banking business); *Morgan Stanley* (avail. Jan. 8, 2007) (same). In *The Bear Stearns Companies Inc.*, the company argued that because the subject matter of the proposal related to the company's compliance with the legal requirements of SOX and the assessment of the liabilities resulting from such compliance, which the company already engaged in as part of its ordinary business operations, the proposal could be excluded under the Rule 14a-8(i)(7) ordinary business exception. *The Bear Stearns Companies Inc.* demonstrated that the Staff had consistently permitted companies to exclude shareholder proposals that relate to compliance with state or federal regulations. *See, e.g., Willamette Industries, Inc.* (avail. Mar. 20, 2001) (concurring with the exclusion of a proposal that requested a report of the company's environmental compliance program); *Humana Inc.* (avail. Feb. 25, 1998) (concurring with the exclusion of a proposal urging the company to appoint a committee of outside directors to oversee the company's corporate anti-fraud compliance program because it was directed at matters relating to the conduct of the company's ordinary business). Similarly, in *Morgan Stanley*, the company argued that because the company was required to comply with SOX, compliance was necessarily a matter of the company's ordinary business operations. Here, as in *The Bear Stearns Companies Inc.* and *Morgan Stanley*, the Proposal is essentially asking for a report on how the Company is managing costs in light of recent legislation and regulatory initiatives.

The foregoing letters are part of a long line of precedent holding that proposals that address a company's compliance with laws raise ordinary business issues. *See also Sprint Nextel Corp.* (avail. Mar. 16, 2010, *recon. denied* Apr. 20, 2010) (proposal requesting that the board of directors explain to shareholders why the company failed to adopt an ethics code that was reasonably designed to deter wrongdoing by its CEO); *Johnson & Johnson* (avail. Feb. 22, 2010) (proposal requesting that the company take specific actions to comply with employment eligibility verification requirements); *FedEx Corp.* (avail. July 14, 2009) (proposal requesting the preparation of a report discussing the company's compliance with state and federal laws governing the proper classification of employees and independent contractors); *Lowe's Companies, Inc.* (avail. Mar. 12, 2008) (same); *The Home Depot, Inc.* (avail. Jan. 25, 2008) (proposal requesting the board publish a report on the company's policies on product safety); *Verizon Communications Inc.* (avail. Jan. 7, 2008) (proposal requesting a report on Verizon's policies for preventing and handling illegal trespassing

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 7

incidents); *The AES Corp.* (avail. Jan. 9, 2007) (proposal seeking the creation of a board oversight committee to monitor compliance with applicable laws, rules and regulations of federal, state and local governments); *Halliburton Co. (Global Exchange and John C. Harrington)* (avail. Mar. 10, 2006) (proposal requesting the preparation of a report detailing the company's policies and procedures to reduce or eliminate the recurrence of instances of fraud, bribery and other law violations); *Hudson United Bancorp* (avail. Jan. 24, 2003) (proposal requesting that the board of directors appoint an independent shareholders' committee to investigate possible corporate misconduct); *Humana Inc.* (avail. Feb. 25, 1998) (proposal urging the company to appoint a committee of outside directors to oversee the company's corporate anti-fraud compliance program); *Citicorp Inc.* (avail. Jan. 9, 1998) (proposal requesting that the board of directors form an independent committee to oversee the audit of contracts with foreign entities to ascertain if bribes and other payments of the type prohibited by the Foreign Corrupt Practices Act or local laws had been made in the procurement of contracts).

As reflected in the precedent cited above, overseeing and managing the Company's compliance with applicable laws and policies is exactly the type of "matter[]" of a complex nature upon which shareholders as a group, would not be in a position to make an informed judgment." The Proposal directly relates to the Company's compliance activities, including how the Company administers its cost structure in such a way as to be eligible to participate in insurance exchanges, which have yet to be established. The steps the Company is taking to respond to and comply with laws regulating the price of health insurance plans clearly relates to an ordinary business operation. Accordingly, because the Proposal relates to the Company's administrative expenditures and its compliance with state and federal laws, the Proposal may be excluded pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

C. Regardless Of Whether The Proposal Involves A Significant Policy Issue, The Proposal Is Excludable As Relating To Ordinary Business Matters

It is well established that when determining whether a proposal requesting the preparation of a report is excludable under Rule 14a-8(i)(7), the Staff "will consider whether the subject matter of the special report . . . involves a matter of ordinary business." See Exchange Act Release No. 20091 (Aug. 16, 1983).

We acknowledge that in certain instances the Staff has found that product pricing proposals touch on significant policy issues, and has therefore declined to exclude such proposals based on Rule 14a-8(i)(7). See, e.g., *Bristol-Myers Squibb Co.* (avail. Feb. 21, 2000). However, as addressed in the 1998 Release, the Staff has consistently concurred that a proposal may be excluded in its entirety when it implicates ordinary business matters, even if it also touches upon a significant social policy issue. For example, in *General Electric Co.* (avail.

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 8

Feb. 3, 2005) and *Capital One Financial Corp.* (avail. Feb. 3, 2005), the Staff concurred that proposals relating to “the elimination of jobs within the Company and/or the relocation of U.S.-based jobs by the Company to foreign countries” were excludable under Rule 14a-8(i)(7) as relating to “management of the workforce” even though the proposals also related to offshore relocation of jobs. *Compare General Electric Co.* (avail. Feb. 3, 2004) (proposal addressing only the offshore relocation of jobs was not excludable under Rule 14a-8(i)(7)). Therefore, like the above-cite precedent and unlike *Bristol-Myers Squibb Co.* and *General Electric Co.* (avail. Feb. 3, 2004), the Proposal focuses on an aspect of ordinary business, and any significant policy implicated by its subject matter should not prevent its exclusion.

The Staff has also concurred that a shareholder proposal addressing a number of issues is excludable when some of the issues implicate a company’s ordinary business operations. For example, in *General Electric Co.* (avail. Feb. 10, 2000), the Staff concurred that General Electric could exclude a proposal requesting that it (i) discontinue an accounting technique, (ii) not use funds from the General Electric Pension Trust to determine executive compensation, and (iii) use funds from the trust only as intended. The Staff concurred that the entire proposal was excludable under Rule 14a-8(i)(7) because a portion of the proposal related to ordinary business matters, namely the choice of accounting methods. Similarly, in *Union Pacific Corp.* (avail. Feb. 21, 2007), a proposal requesting information on the company’s efforts to minimize financial risk arising from a terrorist attack or other homeland security incidents was found excludable in its entirety as relating to the evaluation of risk, regardless of whether potential terrorism and homeland security raised significant social policy concerns. *See also Medallion Financial Corp., supra; Wal-Mart Stores, Inc.* (avail. Mar. 15, 1999) (proposal requesting a report to ensure that the company did not purchase goods from suppliers using, among other things, forced labor, convict labor and child labor was excludable in its entirety because the proposal also requested that the report address ordinary business matters).

As discussed above, the Proposal relates to the Company’s ordinary business operations by requesting a report on its administrative expenses, including its “costs for marketing, underwriting, churning, benefit complexity, and brokers’ fees[.]” In addition, the Proposal relates to the Company’s compliance with state and federal laws. Thus, even if the Proposal touches on a significant social policy, under the precedent discussed above, the Proposal is excludable under Rule 14a-8(i)(7) as it also relates to ordinary business matters that do not raise a significant social policy.

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2011 Proxy Materials.

GIBSON DUNN

Office of Chief Counsel
Division of Corporation Finance
December 28, 2010
Page 9

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671 or Lindsay Blackwood, the Company's Associate Chief Counsel and Assistant Corporate Secretary, at (215) 761-1028.

Sincerely,



Ronald O. Mueller

Enclosure(s)

cc: Lindsay Blackwood, CIGNA Corporation
Barbara Sitko, Sisters of the Humility of Mary

GIBSON DUNN

Exhibit A

Sisters of the Humility of Mary

144 Church St.
New Wilmington PA 16142

H. Edward Hanway, Chairman and CEO
CIGNACorporation
2 Liberty Place
1601 Chestnut Street
Philadelphia PA 19192

November 12, 2010

Dear Mr. Hanway:

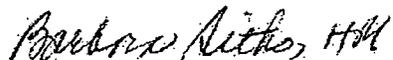
As you know from our past communication with CIGNA, the Sisters of the Humility of Mary are very concerned about the ever-increasing cost of health care. Regrettably, we are not finding health insurance companies offering any real positive direction to make health care costs parallel with the cost of living in other areas. Thus the enclosed.

The Sisters of the Humility of Mary has owned at least \$2,000 worth of CIGNA common stock for over one year. It will hold this stock through next year's annual meeting which I plan to attend in person or by proxy. You will be receiving verification of our ownership from our Custodian under separate cover, dated November 12, 2010.

I am authorized, as a member of the Investment Review Committee of the Sisters of the Humility of Mary, to file the enclosed resolution for inclusion in the proxy statement for the next annual meeting of CIGNA shareholders. I do this in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 and for consideration and action by the shareholders at the next annual meeting.

I would hope that the time between now and the printing of the proxy for next year's annual meeting might find representatives of CIGNA and us in the kind of constructive approach to our concern that would result in our withdrawing our resolution. I am working from a home office and can be reached at 724-946-8352.

Sincerely,



Barbara Sitko, HM
Chair, Investment Review Committee
Sisters of the Humility of Mary

Received

NOV 15 2010

LINDSAY K. BLACKWOOD

INSURANCE PREMIUM PRICE RESTRAINT

WHEREAS:

Increases in health insurance premiums in recent years have taken a greater share of median household income and made it difficult for many U.S. families to save for education or retirement—or simply to meet day-to-day living expenses—and for employers to maintain the level of health benefits they provide;

A 2009 Commonwealth Fund analysis of federal data found that “if premiums for employer-sponsored insurance grow in each state at the projected national rate of increase, then the average premium for family coverage would rise from \$12,298 (the 2008 average) to \$23,842 by 2020—a 94 percent increase”;

According to another Commonwealth Fund report, administrative costs currently account for nearly 13% of insurance premiums. Administrative costs range from about 5% for large employers and firms that self-insured, to 30% of the premium for individuals who purchase their own insurance. Higher costs for marketing, underwriting, churning, benefit complexity, and brokers’ fees explain the bulk of the difference;

With the passage of health care reform, health insurers will be required to submit justification for unreasonable premium increases to the federal and relevant state governments before premium increases may take effect, and to report the share of premiums spent on nonmedical costs;

The law also calls for the creation of health insurance exchanges that offer a choice of plans and the ability, for the first time, to truly compare plan premiums. The exchanges will have authority to reject plans with excessive premium increases and to set caps on insurance profits and overhead at no more than 15% of the total premium cost for large employers and 20% of the premium cost for small firms and individuals. This is expected to result in cost savings to employers and workers in the amount of 15% to 20% by 2019;

Insurance companies continue to face pressures at the state and federal levels. State regulators are becoming more aggressive about challenging health plans’ rate increase requests (*Amednews*, September 20, 2010). Massachusetts has capped some premium increases sought by insurance companies. Congressional leaders have asked large insurance companies to provide more transparency in calculating premium increases. (*Insurancenews.net*, September 21, 2010);

While passage of health reform legislation was a major achievement, there are ongoing concerns as to its long-term affordability and accountability for controlling costs. Failure to control costs could undermine the goals of health care reform, i.e. accessible and affordable health care for all;

RESOLVED: Shareholders request that the Board of Directors report by December 2011 (at reasonable cost and omitting proprietary information) how our company is responding to regulatory, legislative and public pressures to ensure affordable health care coverage and the measures our company is taking to contain the price increases of health insurance premiums.



BNY MELLON
ASSET SERVICING

November 12, 2010

H. Edward Hanway, Chairman and CEO
Cigna Corporation
2 Liberty Place
1601 Chestnut Street
Philadelphia PA 19192

Dear Mr. Hanway,

This letter is confirmation that Sisters of the Humility of Mary currently holds 4,305,000 shares of Cigna Corp (CUSIP 125509109) and will continue to be held indefinitely. Sisters of the Humility of Mary has continuously held these shares of stock for at least one year prior to submission of their letter of proposal.

This security is currently held by The Bank of New York Mellon for Sisters of the Humility of Mary in our nominee name at the Depository Trust Company and this letter is a statement of The Bank of New York Mellon as record holder of the above referenced common stock.

Please contact me directly at (412) 236-1286 with any questions.

Thank you,

Jason Farmer
Associate
Custodian for Sisters of the Humility of Mary

Cc: Ms. Cathy Weiss, Director of Finance, Sisters of the Humility of Mary

Received
NOV 15 2010
LINDSAY K. BLACKWOOD