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April 20, 2009

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Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-27-08

CIGNA Corporation appreciates the opportunity to share our views on selected key areas of the Proposed Rule, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance With International Financial Reporting Standards (IFRS) by U.S. Issuers*. We support the Commission's consideration of mandating the use of globally recognized, high-quality accounting standards. We believe that convergence of accounting standards in an increasingly global marketplace is essential to providing users of financial statements with comparable, decision-useful information. In addition, as an insurer, the need for a global standard for insurance contracts is of paramount importance to us and our industry. Although we are encouraged by the recent decision of the Financial Accounting Standards Board (FASB) to join the International Accounting Standards Board (IASB) in its project on accounting for insurance contracts, we believe that such global standards will not be finalized in time for preparers to begin implementation until 2011 at best. Accordingly, we believe that this will jeopardize our company's and our industry's ability to administer an orderly implementation under the Commission's current proposal. Our remarks below further address these and other concerns.

Convergence versus Conversion

For reasons outlined in this letter, we support the use of globally recognized, high-quality accounting standards by U.S. issuers, with a strong preference for the means of adoption to be *convergence* rather than *conversion*. To ensure ongoing consistency, we believe that the FASB should act as the sole standard setter for U.S. financial reporting standards, while continuing to work with the IASB to converge U.S. GAAP and IFRS under their Memorandum of Understanding. Importantly, this approach will facilitate the reduction of the potentially significant costs of conversion for U.S. issuers as well as staged implementation costs as U.S. standards converge with IFRS over time. Furthermore, this approach will allow U.S. companies to balance the cost and the benefits of convergence with IFRS.

(1) Proposed Milestones

CIGNA supports the overall objectives of the milestones put forth by the Commission in its current proposal and agrees that they are critical to the success of U.S. issuers using global accounting standards. We believe these same milestones are as important in full convergence as they are in conversion to IFRS. With this in mind, we would like to offer the following additional milestones:

Improvements in Accounting Standards. To ensure convergence for the insurance industry, which accounts for 9% of the Fortune Global 500 public companies, this milestone must include a requirement to complete the joint IASB/FASB project on accounting for insurance contracts by 2011, with at least two years for an implementation period thereafter. Without a high quality standard in this area, as well as other important areas such as revenue recognition and financial statement presentation, IFRS are decidedly incomplete and inadequate.

Industry Specific Guidance. The Commission proposes to allow U.S. issuers filing under IFRS to look to existing industry specific guidance under U.S. GAAP, where IFRS is silent. The fact that the Commission is compelled to allow U.S. companies to reference U.S. GAAP industry guidance is a clear signal that IFRS, in its current form, is incomplete and will not produce convergence. Furthermore, such a concession by the Commission sets the stage for financial statements of U.S. issuers that are not consistent with issuers in other countries that are not permitted to use industry specific guidance under U.S. GAAP. For these reasons, we recommend the Commission add a milestone considering the development of industry specific guidance and standards (i.e. convergence with U.S. GAAP), such that exceptions for U.S. issuers are not necessary.

(2) The Role of IFRS in the U.S. Capital Markets

Comparability Among U.S. Public & Private Companies. U.S. GAAP is a well-established basis of financial reporting that is currently applied not only by all public U.S. companies, but also by many private U.S. companies. Much has been said about the notion that the adoption of IFRS by public U.S. companies will improve comparability with non-U.S. companies operating in the same industry or line of business. However, the comparability of public and private U.S. companies in the same industry or line of business is equally important. Since many of our competitors in the insurance and managed care marketplace are private U.S. companies, we are concerned about the inconsistency that will result from requiring public U.S. companies to adopt IFRS while our private competitors continue to use U.S. GAAP. An assessment of this impact on market participants is needed when considering requiring the use of IFRS by public U.S. companies. For example, inconsistent bases of accounting amongst U.S. companies may inhibit investors from investing in either the U.S. GAAP or IFRS reporting insurance companies, causing economic and regulatory disruptions. Potential policyholders' selection of insurance carriers may also be inappropriately impacted by differing reporting bases. Such impacts present another compelling argument to support convergence rather conversion.

Representation of U.S. Environment. In the event that the IASB becomes the sole standard setter for U.S. financial reporting standards, mechanisms must be established to enable U.S. preparers and users to adequately convey unique conditions of the U.S. environment to the IASB to appropriately influence the development of standards that consider these unique conditions. One way to ensure that the U.S. environment is properly represented in the development of standards would be for the FASB to continue in its current capacity and for U.S. GAAP and IFRS to converge rather than convert.

- **U.S. Medical Insurance Market**

In response to the FASB's request for comments on the FASB Agenda Proposal: *Accounting for Insurance Contracts by Insurers and Policyholders, including the IASB Discussion Paper, "Preliminary Views on Insurance Contracts,"* we commented on the importance of the policy-setting discussion including an understanding of the private medical insurance business in the United States, as this unique business model differs significantly from other insurance businesses currently represented in the international marketplace. These types of unique conditions in the U.S. environment must be represented in the development of converged standards.

- **U.S. Legal Environment**

In addition to the unique U.S. market for medical insurance, there are other areas that must be considered to ensure that converged accounting and reporting standards properly reflect the U.S. environment. These areas include both the internal control (Sarbanes-Oxley compliance) and legal environments in the U.S. today, which are inherently rules-based, much like the rules-based nature of U.S. GAAP. For example, the particularly litigious environment in the U.S. should be represented when setting standards concerning the recognition, measurement and disclosure of contingencies. The FASB is best positioned to provide this insight when developing standards, as it has for more than the past quarter century.

The Other Side of the Coin

In the event that the Commission determines that convergence over conversion is not a viable option for U.S. issuers, we offer our position on the following topics.

- (1) Proposed Timeline

We agree with the Commission's rationale for making a determination in 2011 whether to require use of IFRS by U.S. issuers and believe that attempting to do so before 2011 would be premature. However, a decision and action by the Commission in 2011 does not allow sufficient lead time for large accelerated filers like us to begin reporting under IFRS as early as 2012. Our rationale is as follows:

- Under their joint project, the FASB and IASB currently anticipate the issuance of a final standard addressing insurance contracts in 2011, which will likely involve a significant effort to adopt, particularly if the final standard resembles the current preliminary views issued by the Boards. Other significant standards expected to be issued in 2011 include revenue recognition and financial statement presentation, which are both fundamental topics with potentially far-reaching implications.
- Given that the next phase of the FASB and IASB's joint work plan for convergence includes several important topics that will likely be pervasive to most insurers' financial statements, reporting under IFRS as early as 2012 does not allow sufficient lead time, especially for insurance companies with an extensive global footprint. The process of understanding, interpreting and adopting these new standards will require significant people resources, process changes and significant systems modifications and data gathering. Additionally, the IASB will continue to improve several of its non-industry specific standards, such as revenue recognition and financial statement presentation during this same timeframe. Coordinating the same resources for simultaneous implementation of both non-industry specific and insurance specific requirements will likely prove to be extremely costly.
- Sarbanes-Oxley and other control requirements are much more stringent in the United States than the requirements in Europe and other countries and will require stronger controls to ensure that consistent judgments are made across organizations. U.S. issuers will need to develop a judgment framework to document how, and why most decisions are made under principles-based IFRS. As a result, we expect the IFRS transition for U.S issuers to be significantly more expensive and complex than the transitions experienced by our European counterparts.
- Making the significant investment required to undertake an implementation of this magnitude *in advance of a final decision* by the Commission in 2011 is difficult to justify, which leaves large accelerated filers less than one year to complete the implementation. Moreover, the current economic environment is challenging companies to simply maintain capital for ongoing business expenses, let alone to fund efforts for a conversion that might be mandated two years down the road.

With the combined effect of these concerns in mind, we recommend that the Commission either (1) require only two years of audited financial statements in an entity's first year of IFRS reporting (e.g., 2013 to 2014 for large accelerated filers), rather than the proposed three years (e.g., 2012 to 2014 for large accelerated filers), or (2) delay the proposed mandatory adoption by one year to 2015 for large accelerated filers. Either of these options would afford companies adequate lead time to begin reporting under IFRS consistent with a Commission decision in 2011.

(2) Measure of Readiness

In assessing the readiness of U.S. investors, U.S. issuers and other market participants to transition to IFRS, the Commission should ask for input from these parties in late 2010. For example, the Commission should solicit feedback from impacted domestic entities

regarding their anticipated work effort for transition at that point in time. It would also be prudent to consider general progress toward the Commission's milestones in 2010 and assess the feasibility of the Commission making an informed decision regarding the future of IFRS in 2011.

(3) Point of Clarification

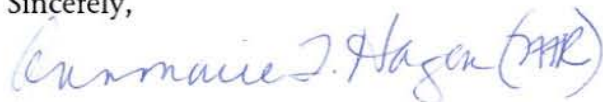
Under the proposed rules, "an eligible issuer that elects to file IFRS financial statements with the Commission under the proposed amendments would be required first to do so in an annual report and would not be able to file IFRS financial statements with the SEC for the first time in a quarterly report, registration statement, or proxy or information statement." We have interpreted this statement to apply to issuers eligible for early use of IFRS only. We believe that in the year of mandatory IFRS adoption, the first time a company reports its financial statements, it should comply with IFRS. That is, large accelerated filers will be required to file their first IFRS financial statements with the Commission in their first quarter 2014 Form 10-Q. However, clarification is needed as to the Commission's intent regarding the timing of first reporting for a mandatory implementation.

(4) Safe Harbor Provision

The Commission should address the implications of forward-looking disclosure contained in footnotes to the financial statements that are required for various assets and liabilities throughout IFRS. That is, if companies are required to disclose forward-looking statements, such as is required for market risk, in the footnotes to the financial statements, rather than in the MD&A, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 should be extended to cover statements made in the footnotes. Our view is that a safe harbor provision or other relief or statement is needed in order to encourage the use of such statements in the financial statements by protecting management from liability for providing financial projections and forecasts made in good faith. We believe that this is consistent with the Commission's prior practice and is particularly important within the litigious environment of the United States.

If we can provide further information or clarification of our comments, please call me or Nancy Ruffino at 860.226.4632.

Sincerely,

A handwritten signature in blue ink that reads "Annmarie T. Hagan" followed by a circled set of initials "MHR".

Annmarie T. Hagan