October 12, 2009

Mr. Russell G. Golden, Technical Director
File Reference No. 1710-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Mr. Golden:

Re: Exposure Draft, Improving Disclosures about Fair Value Measurements

CIGNA Corporation appreciates the opportunity to comment on the Financial Accounting Standards Board's (FASB) Exposure Draft (ED), “Improving Disclosures about Fair Value Measurements.” CIGNA is one of the largest investor-owned health care and related benefits organizations in the United States, and has operations in selected international markets. As of June 30, 2009, CIGNA provided fair value disclosures for more than $13 billion in financial assets and liabilities measured at fair value on a recurring basis. Of this amount, approximately $1 billion are classified in Level 3.

CIGNA supports the goal of the FASB to increase investor confidence in financial reporting by improving disclosures for financial instruments. However, we are greatly concerned that, if finalized as proposed, the ED will impose significantly increased direct and indirect costs on preparers, auditors and users of financial statements. Our chief concern is the requirement for footnote disclosure of the effects of reasonably possible alternative inputs that could be used to determine the fair values of financial instruments classified as Level 3. We believe that the footnotes should be management's forum to describe and support the judgments, inputs and valuation techniques used to measure instruments at the balance sheet date. In our view, incorporating sensitivity requirements will result in redundant disclosure (particularly for public companies that already provide such information in the spirit of SEC rules regarding critical accounting estimates) that will unnecessarily expose all companies to significant litigation risk and other substantial costs. We are also concerned that the proposed effective date, in conjunction with the simultaneous implementations of recently issued guidance for variable interest entities and transfers of financial instruments, will impose unnecessary costs for the same constituencies. These concerns and related recommendations are detailed below.

Reasonably Possible Alternative Assumptions

The ED indicates that because many users have concerns about the reliability of the estimates of fair value measurements that use significant unobservable inputs (Level 3 category), information about the potential range in fair value measurements that would result from using alternative
unobservable inputs would be beneficial. As a registrant with the Securities and Exchange Commission, CIGNA has provided similar disclosures in Management’s Discussion and Analysis (MD&A) within the Company’s regular financial filings. Specifically, as part of our discussion about critical accounting estimates, CIGNA has disclosed the effect of unfavorable changes in various uncertain assumptions used to estimate amounts included in its Consolidated Balance Sheets, including fair value measurements of certain financial instruments classified as Level 3. We are supportive of disclosing such information and do provide such information in the MD&A section of our SEC filings because we view it as useful to the users of financial information. However, we believe that requiring such information to appear in the financial statements would be redundant and repetitive for users and investors.

Further, we believe that including Level 3 sensitivity disclosures in the footnotes could potentially significantly increase the litigation risk and expense to the company without the commensurate benefit to the user. Currently forward-looking statements discussed in the MD&A, including the information referred to above, are protected by the Safe Harbor for Forward Looking Statements under Section 21E of the Securities and Exchange Act of 1934. The protection provided under Section 21E deters frivolous and meritless suits in private securities litigation. Because this protection does not extend to the financial statements, we are greatly concerned that placement of such disclosures in the footnotes would subject the preparers, auditors and users of financial statements of public reporting entities to the costs of litigation when the alternative unobservable inputs selected for disclosure develop in a manner different than illustrated. The Section 21E, “safe harbor” protections are important in order to provide relevant, useful financial information in a cost beneficial manner. Without these protections, public reporting entities may not be able to access capital in a cost effective manner.

We are aware of efforts toward international convergence of accounting standards, specifically that the International Accounting Standards Board has recently required similar disclosures for foreign entities. We believe that their standard fails to take into account the adversarial system of justice in the United States and the legislative safeguard that the Congress put into place to protect preparers, auditors and users of public company financial information from some of the abuses of this system. We believe that the FASB should not extend this failure by expanding disclosure requirements as proposed.

Compounding potential additional litigation costs, the proposal to include such disclosures within the audited financial statements will require auditor examination with the additional associated protocols, controls and costs necessary for auditor assurance to be provided. As stated above, it is our view that the footnotes should be management’s forum to describe and support the judgments, inputs and valuation techniques used to measure instruments at the balance sheet date. We believe that the efforts and resources of the company are better spent in developing alternative assumptions, and documenting the impact of the alternatives in simple, clear disclosures for critical accounting estimates, as we do today in MD&A. We also believe that the efforts of auditors are far better spent on substantive audit processes associated with the estimates and amounts underlying the financial statements.

Consistent with these concerns, we recommend that the final requirements exclude disclosures of the effects of using alternative unobservable inputs to determine fair value measurements.

Finally, if the FASB determines that the potential benefits of the proposed disclosures about alternative unobservable inputs outweigh their potentially considerable indirect costs, we recommend that the FASB clarify their stated objective to clearly indicate that the effects of
changes in reasonably possible alternative inputs is focused on the impact to the fair value measurement, as presented in the balance sheet, on the financial statement date as opposed to the open-ended "total effect" of such changes.

**Proposed Effective Date**

CIGNA, along with many insurance and financial services enterprises, is preparing to implement the FASB's recent amended guidance for variable interest entities and transfers of financial instruments. We expect our investment and business professionals, supporting financial and accounting staff and management to be focused on these efforts in order to be prepared to disclose the implementation effects of these new requirements concurrent with our annual SEC filing deadline in late February, 2010. These same parties are also providing support to several of CIGNA's international locations that are preparing to implement International Financial Reporting Standards beginning in 2010. Provided the above-referenced disclosure requirement is retained, to allow these parties sufficient time to refocus, apply appropriate effort and comply with these proposed new disclosures without having to hire additional resources or retain consultants, we recommend that their mandatory implementation be delayed to interim reporting periods ending after June 15, 2010.

If we can provide further information or clarification of our comments, please call me (215-761-1170) or Nancy Ruffino (860-226-4632).

Sincerely,

Mary T. Hoeltzel