August 7, 2020

Technical Director
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: File Reference No. 2020-400, Proposed Accounting Standards Update Financial Services—Insurance (Topic 944), Effective Date and Early Application

Dear Technical Director:

Cigna Corporation ("Cigna") appreciates the opportunity to comment on the Financial Accounting Standards Board’s Proposed Accounting Standards Update, Financial Services—Insurance (Topic 944), Effective Date and Early Application ("the Update").

Cigna is a global health service organization dedicated to a mission of helping those we serve improve their health, well-being and peace of mind by using a differentiated set of pharmacy, medical, dental, disability, life and accident insurance and related products and services offered by our subsidiaries. The majority of these products are offered through employers and other groups such as governmental and non-governmental organizations, unions and associations. Cigna also offers commercial health and dental insurance, Medicare and Medicaid products and health, life and accident insurance coverages to individuals in the United States and selected international markets. In addition to these ongoing operations, Cigna also has certain run-off operations.

Cigna commends the Board for its consideration and prompt response to concerns regarding the implications of the Coronavirus Disease 2019 (COVID-19) pandemic and the effective date of Accounting Standards Update No. 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long Duration Insurance Contracts (ASU 2018-12 or LDTI). We strongly support deferring the effective date of ASU 2018-12 by one year for all insurance entities and the proposed transition guidance that would minimize the operational burden for companies determining they are able to early adopt.
Cigna remains committed to the implementation of ASU 2018-12 under our existing project plan and timeline as closely as possible, however, the added burden of reacting to the evolving uncertainties and resource demands impacting our business as a result of the COVID-19 pandemic is challenging. It is our belief that the extraordinary circumstances created by the pandemic will impact many companies’ ability to effectively implement the new standard and therefore, the benefits of ensuring a high quality implementation for the marketplace exceed any cost perceived by users of extending the effective date.

The following Appendix provides responses to the Board’s Questions for Respondents in the Update. We thank the Board for its continued engagement with preparers and industry groups and look forward to an ongoing dialogue to ensure an effective and smooth transition to the new guidance for all insurance entities.

Sincerely,

[Signature]

Mary T. Agoglia Hoeltzel
Appendix

**Question 1- Effective Date:** Should the effective date of LDTI be deferred for all insurance entities by one year? Please explain.

Yes, the effective date of LDTI should be deferred for all insurance entities by one year. As a result of COVID-19, insurance companies are faced with a number of uncertainties and operational challenges as well as resource constraints, which could compromise the ability to deliver a quality implementation of LDTI that will benefit financial statement users as intended under the existing timeline. An additional year to implement the standard will allow insurance companies to continue to progress under their implementation plans while exercising flexibility to react to the impacts of the COVID-19 pandemic on our businesses without compromising the quality of the implementation.

**Question 2- Early Application:** Does the proposed alignment of the early application transition date and the standard transition date achieve the Board’s objective of facilitating early application of LDTI by certain entities to encourage accelerated delivery of information to financial statement users? Please explain.

Yes, the proposed alignment of the early application transition date and standard transition date achieves the Board’s objective. As noted by the Board in the Update, entities may proceed with their existing LDTI plans while managing the business disruption resulting from COVID-19, and the alignment of the transition dates encourages early adoption by providing flexibility on the implementation date without the resulting consequence for preparers of uncertainty relative to the transition date.