

CIGNA CORP
Form DEF 14A
March 26, 2004

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SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

CIGNA CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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CIGNA Corporation
One Liberty Place
1650 Market Street
Philadelphia, PA 19192-1550
March 26, 2004

NOTICE OF 2004 ANNUAL MEETING OF SHAREHOLDERS

CIGNA Corporation Shareholders:

The Annual Meeting of Shareholders will be held on Wednesday, April 28, 2004, at 3:30 p.m. at The Gregg Conference Center at The American College, 270 S. Bryn Mawr Avenue, Bryn Mawr, Pennsylvania. Directions to The Gregg Conference Center are on the back of the attached proxy statement.

At the meeting, we will ask the shareholders to:

1. Elect three directors for terms expiring in April 2007 and one director for a term expiring in April 2006; and
 2. Ratify the appointment of PricewaterhouseCoopers LLP as independent auditors for 2004.
- CIGNA shareholders of record at the close of business on March 1, 2004, are entitled to notice of and to vote at the meeting and any adjournment thereof. **Your vote is important, even if you do not own many shares. We urge you to mark, date, sign and return the enclosed proxy/ voting instruction card or, if you prefer, to vote by telephone or by using the Internet.**

Sincerely,

H. EDWARD HANWAY

Chairman and Chief Executive Officer

By order of the Directors

CAROL J. WARD, *Corporate Secretary*

CIGNA CORPORATION

ONE LIBERTY PLACE
1650 MARKET STREET
PHILADELPHIA, PA 19192-1550

PROXY STATEMENT

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General Information About CIGNA's Annual Meeting

When and where is the annual meeting?

The annual meeting will be held on Wednesday, April 28, 2004, at 3:30 p.m. at The Gregg Conference Center at The American College located at 270 S. Bryn Mawr Avenue, Bryn Mawr, Pennsylvania. Directions are on the back of the proxy statement.

When will CIGNA begin mailing the proxy statement, proxy/voting instruction card, and 2003 Annual Report to Shareholders?

CIGNA will begin mailing the proxy statement, proxy/voting instruction card, and 2003 Annual Report to Shareholders on or about March 26, 2004.

Who is entitled to vote at the annual meeting?

Anyone who owns CIGNA common stock as of the close of business on March 1, 2004, is entitled to one vote per share owned. There were 141,017,109 shares of CIGNA common stock outstanding on that date.

Who is seeking authority to vote my shares and when?

CIGNA's Board of Directors is sending you this proxy statement to solicit your proxy, or your authorization for our representatives to vote your shares. Your proxy will be effective for the April 28, 2004, meeting and at any adjournment (or continuation) of that meeting.

What is householding?

If you and other residents at your mailing address own shares of CIGNA stock in street name, your broker or bank may have notified you that your household will receive only one annual report and proxy statement for each company in which you hold stock through that broker or bank. This practice is known as householding. Unless you responded that you did not want to participate in householding, you were deemed to have consented to the process. Your broker or bank will send one copy of our annual report and proxy statement to your address. Each shareholder will continue to receive a separate proxy card or voting instruction card.

If you would like to receive your own set of CIGNA's future annual report and proxy statement or if you share an address with another CIGNA shareholder and together both of you would like to receive only a single set of CIGNA annual disclosure documents, please contact ADP, Household Department, 51 Mercedes Way, Edgewood, NY 11717 or call them at 800.542.1061. Be sure to indicate your name, the name of your brokerage firm or bank and your account number. The revocation of your consent to householding will be effective 30 days following its receipt.

If you did not receive an individual copy of this year's proxy statement or our annual report, we will send a copy to you if you address a written request to CIGNA Corporation, Shareholder Services, 1650 Market Street, OL57 B, Philadelphia, PA 19192 or call 215.761.3516.

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Proposals for a Shareholder Vote

What proposals are being presented for a shareholder vote?

Management is presenting two proposals for a shareholder vote.

Item 1. Election of Directors

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ITS NOMINEES, ROBERT H. CAMPBELL, JANE E. HENNEY, M.D. AND CHARLES R. SHOEMATE TO BE DIRECTORS WITH TERMS EXPIRING APRIL 2007 AND LOUIS W. SULLIVAN, M.D. TO BE A DIRECTOR WITH A TERM EXPIRING APRIL 2006.

You can find information about the board's nominees, as well as information about CIGNA's Board of Directors and its committees, director compensation, and other related matters, beginning on page 6.

Item 2. Ratification of Appointment of PricewaterhouseCoopers LLP

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS INDEPENDENT AUDITORS FOR THE YEAR 2004.

You can find information about CIGNA's relationship with PricewaterhouseCoopers LLP beginning on page 17.

What other matters may arise at the meeting?

We do not know of any other matters that will come before the shareholders during the annual meeting. If any other matters are properly presented for a vote, the people named as proxies will have discretionary authority, to the extent permitted by law, to vote on such matters according to their best judgment.

The chairman of the meeting may refuse to allow presentation of a proposal or a nomination for the board from the floor of the Annual Meeting if the proposal or nomination was not properly submitted. The requirements for properly submitting proposals and nominations from the floor of the Annual Meeting for this year's meeting were described in CIGNA's 2003 Proxy Statement and are similar to those described on page 31 for next year's meeting.

General Information About Voting

What constitutes a quorum and why do you need one?

In order to transact business at an annual meeting, we must have a quorum, or the presence of a prescribed number of voting shares. For this meeting, we need the holders of two-fifths of the issued and outstanding shares entitled to vote to either be represented by proxy or attend.

What vote is required to approve each proposal?

Assuming we attain a quorum, the four nominees who receive a plurality (the greatest number) of votes cast on Item 1 will be elected as directors. We need the affirmative vote of a majority of the shareholders present in person at the meeting or represented by proxy to ratify the appointment of independent auditors.

If you attend the meeting or submit your proxy but abstain from voting, your shares will count toward a quorum. Abstentions will not affect the outcome of the election of directors, but they will be treated as *negative* votes on the ratification of appointment of independent auditors.

Many CIGNA shareholders own their shares in street name, which means that brokers are actually the record owners entitled to vote the shares. Brokers will have discretionary authority to vote on Items 1 and 2 described in this proxy statement, which means that your broker can vote your street name shares on Items 1 and 2 even if you do not give specific voting instructions.

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How do I vote?

There are four ways that you can vote your shares.

1. Over the Internet. Vote at <http://www.eproxy.com/ci>. The Internet voting system is available 24 hours a day until 5:00 p.m. E.D.T. on Tuesday, April 27, 2004. Once you are into the Internet voting system, you can record and confirm (or change) your voting instructions.

2. By telephone. Use the telephone number shown on your proxy card. The telephone voting system is available 24 hours a day in the United States until 5:00 p.m. E.D.T. on Tuesday, April 27, 2004. Once you are into the telephone voting system, a series of prompts will tell you how to record and confirm (or change) your voting instructions.

3. By mail. Mark your voting instructions on, and sign and date, the proxy card and then return it in the postage-paid envelope provided. For your mailed proxy card to be counted, we must receive it before the polls close at the meeting. If we receive your signed proxy card, but you do not give voting instructions, our representatives will vote your shares *for* Items 1 and 2. If any other matters arise during the meeting that require a vote, the representatives will exercise their discretion.

4. In person. Attend the annual meeting, or send a personal representative with an appropriate proxy, in order to vote.

If you hold your shares of CIGNA stock in the name of a bank, broker or other nominee, your ability to vote by Internet or telephone depends on their voting process. Please follow their directions carefully. If you want to vote shares of CIGNA stock that you hold in street name at the annual meeting, you must request a legal proxy from your bank, broker or other nominee that holds your shares and present that proxy for entrance to the meeting.

Requirements for confidential voting. If you want your vote to be confidential, you must indicate that when you submit your proxy. If you choose confidential voting, your votes can be revealed to CIGNA only in limited circumstances, such as to meet a legal requirement or in contested board elections.

How do I revoke my proxy or change my voting instructions?

There are four ways that you can revoke your proxy or change your voting instructions.

1. Enter new instructions on either the telephone or Internet voting system before 5:00 p.m. E.D.T. on Tuesday, April 27, 2004.

2. Submit a new proxy card bearing a date later than your last vote. We must receive your new proxy card before the annual meeting begins.

3. Write to the Corporate Secretary, Carol J. Ward, at the address given for CIGNA Corporation in the meeting notice (on the cover of this proxy statement). Your letter should contain the name in which your shares are registered, the date of the proxy you wish to revoke or change, your new voting instructions, if applicable, and your signature. She must receive your letter before the annual meeting begins.

4. Attend the annual meeting and vote in person (or by personal representative with an appropriate proxy).

What do I do if I have money in the CIGNA Stock Fund of the CIGNA or Intracorp 401(k) plans?

If you have money in the CIGNA Stock Fund of the CIGNA 401(k) Plan or the Intracorp 401(k) Performance Sharing Plan, you do not actually own shares of CIGNA stock. The plan trustees do. Under

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the plans, however, you do have pass-through voting rights based on your interest the amount of money you have invested in the CIGNA Stock Fund.

You may exercise pass-through voting rights in almost the same way that shareholders may vote their shares, but you have an earlier deadline. If your voting instructions are received by **5:00 p.m. E.D.T. on Friday, April 23, 2004**, the trustee will submit a proxy that reflects your instructions. If you have money in the CIGNA Stock Fund of the CIGNA 401(k) Plan and you do not give voting instructions (or give them late), the trustees will vote your interest in the CIGNA Stock Fund as instructed by a CIGNA management advisory committee. If you have money in the CIGNA Stock Fund of the Intracorp 401(k) Performance Sharing Plan and you do not give voting instructions (or give them late), your shares will not be voted.

You may send your instructions to your plan trustee by using the mail (proxy/voting instruction card), telephone or Internet methods described on the proxy/voting instruction card. Your voting instructions will be kept confidential under the terms of the plans.

You may **not** vote in person at the annual meeting.

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Information About Item 1: Election of Directors

The board nominated three incumbent directors and one additional nominee to stand for election at the annual meeting for terms ending April 2006 and April 2007 as indicated below. All nominees have consented to serve, and the board does not know of any reason why any would be unable to serve. If a nominee becomes unavailable or unable to serve before the annual meeting, the board can either reduce its size or designate a substitute nominee. If the board designates a substitute, proxies that would have been cast for the original nominee will be cast for the substitute nominee.

The board has set 72 years as the retirement age for non-employee directors. Accordingly, non-employee directors must retire no later than the annual meeting of shareholders following their seventy-second birthday.

The Board of Directors unanimously recommends that shareholders vote FOR these nominees:

Management's nominees for terms to expire in April 2007.

Robert H. Campbell

Bob Campbell, 66, has been a director of CIGNA Corporation since 1992. Mr. Campbell was Chairman of Sunoco, Inc. (a domestic refiner and marketer of petroleum products) from 1992 until 2000, Chief Executive Officer from 1991 until 2000 and President from 1991 until 1996. He is also a director of Hershey Foods Corporation and Vical, Inc. Mr. Campbell serves as a member of CIGNA's Finance Committee and People Resources Committee.

Jane E. Henney, M.D.

Jane Henney, 57, a nominee, has been Senior Vice President and Provost, Health Affairs at University of Cincinnati Medical Center since July 2003. Dr. Henney was Senior Scholar at the Association of Academic Health Centers from 2001 until June 2003 and Commissioner of the U.S. Food & Drug Administration from 1998 until January 2001. She is also a director of AmerisourceBergen Corporation and AstraZeneca PLC. SpencerStuart, a third party search firm, and a non-management director recommended Dr. Henney to CIGNA's Corporate Governance Committee as a potential nominee to CIGNA's Board.

Charles R. Shoemate

Dick Shoemate, 64, has been a director of CIGNA Corporation since 1991. Mr. Shoemate was Chairman, President and Chief Executive Officer of Bestfoods (a consumer food company) from 1990 until 2000. He is also a director of International Paper Company and Chevron-Texaco, Inc. Mr. Shoemate serves as a member of CIGNA's Corporate Governance Committee and Audit Committee.

Management's nominee for a term to expire in April 2006.

Louis W. Sullivan, M.D.

Lou Sullivan, 70, has been a director of CIGNA Corporation since 1993. Dr. Sullivan will retire coincident with the 2006 Annual Meeting of Shareholders. He has been President Emeritus of Morehouse School of Medicine (educational institution) since June 2002. Dr. Sullivan served as President of Morehouse School of Medicine from 1981 until 2002, except from 1989 until 1993, when he served as the United States Secretary of Health and Human Services. He is also a director of Bristol-Myers Squibb Company, Equifax Inc., Georgia Pacific Corporation, 3M Company, BioSante Pharmaceuticals, Inc., Henry Schein, Inc., and United Therapeutics Corporation. Dr. Sullivan serves as a member of CIGNA's People Resources Committee and Corporate Governance Committee.

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Directors who will continue in office:

H. Edward Hanway

Ed Hanway, 52, has been a director of CIGNA Corporation since 1999. His current term expires in April 2006. He has been Chairman of the Board of CIGNA Corporation since December 2000, Chief Executive Officer since January 2000, President since January 1999 and Chief Operating Officer from January 1999 until January 2000. Mr. Hanway served as President of CIGNA HealthCare from 1996 until 1999 and President of CIGNA International from 1989 until 1996. He has been associated with CIGNA since 1978. Mr. Hanway also serves as Chairman of CIGNA's Executive Committee.

Peter N. Larson

Peter Larson, 64, has been a director of CIGNA Corporation since 1997. His current term expires in April 2005. Mr. Larson was Chairman and Chief Executive Officer of Brunswick Corporation (a producer of recreational consumer products) from 1995 until 2000. He also served as an executive officer and director of Johnson & Johnson (a health care product maker) from 1991 until 1995. Mr. Larson serves as the Chairman of CIGNA's Finance Committee and a member of the Audit Committee.

Joseph Neubauer

Joe Neubauer, 62, has been a director of CIGNA Corporation since 1998. His current term expires in April 2005. Mr. Neubauer has been Executive Chairman of ARAMARK Corporation (a service management company) since January 2004. He was the Chairman and Chief Executive Officer of ARAMARK Corporation from 1984 until January 2004. He is also a director of Verizon Communications Inc., Federated Department Stores, Inc. and Wachovia Corporation. Mr. Neubauer serves as Chairman of CIGNA's Audit Committee and a member of the Finance Committee.

Harold A. Wagner

H. A. Wagner, 68, has been a director of CIGNA Corporation since 1997. His current term expires in April 2006. He has been Non-executive Chairman of Agere Systems Inc. (a provider of communications components) since 2001. Mr. Wagner served as Chairman and Chief Executive Officer of Air Products and Chemicals, Inc. (a supplier of industrial gases and related equipment and selected chemicals) from 1992 to 2000 and as its President from 1992 to 1998. He is also a director of Paccar Inc., United Technologies Corporation and Maersk Inc. Mr. Wagner serves as Chairman of CIGNA's People Resources Committee and a member of the Corporate Governance Committee.

Carol Cox Wait

Carol Cox Wait, 61, has been a director of CIGNA Corporation since 1995. Her current term expires in April 2005. Ms. Wait has been President of Boggs, Atkinson, Inc. (a real estate company) since 2003. She was a director, President and Chief Executive Officer of the Committee for a Responsible Federal Budget (a bi-partisan, educational, non-profit organization) from 1981 until 2003. She was President of Carol Cox and Associates (a consulting firm) from 1984 until 2003. Ms. Wait serves as a member of CIGNA's Audit Committee and Finance Committee.

Marilyn Ware

Marilyn Ware, 60, has been a director of CIGNA Corporation since 1993. Her current term expires in April 2005. Ms. Ware has been the Chief Executive Officer of the Ware Family Offices since 1996. She served as Chairman of American Water Works (a water utility holding company) from 1988 until 2003. She currently serves as Chairman Emeritus, American Water, a wholly-owned subsidiary of Thames Water as well as a member of the RWE Economic Advisory Board and Thames Water International Advisory Council. Ms. Ware is also a director of Ikon Office Solutions, Inc. Ms. Ware serves as the Chairman of CIGNA's Corporate Governance Committee and a member of the People Resources Committee.

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CIGNA Corporation Board Practices

(also available at <http://www.cigna.com/general/about/governance/practices.html>)

Organizing the CIGNA Corporation Board of Directors work is an inherently dynamic process. The board and committees periodically review their practices with the goal of increasing their effectiveness, and thereby maximizing shareholder value. Over the years, the board and committees have regularly modified their practices. The following are the current practices:

Board Structure and Composition

CIGNA Corporation's Bylaws allow for a board of eight to sixteen members. The board and its Corporate Governance Committee each periodically consider the appropriate size of the board. There is a strong commitment to a board composed principally of independent, non-employee directors. CIGNA Corporation has never had more than two employee directors.

Independence

The board periodically sets forth standards for determining whether non-employee directors shall be considered independent. The current standards, in addition to the independence requirements set forth in the New York Stock Exchange Corporate Governance Listing standards, are as follows:

Revenue received in any given year from the for-profit entity with which the director is primarily affiliated shall not exceed two percent of CIGNA Corporation's consolidated total revenue for that year.

Revenue received in any given year from the CIGNA Companies shall not exceed two percent of the consolidated total revenue of the for-profit entity with which the director is primarily affiliated.

Charitable contributions from CIGNA Corporation, CIGNA Foundation, or any CIGNA affiliate shall not exceed two percent of annual operating fund gifts received by any not-for-profit entity for which a CIGNA director or immediate family member serves as a director, trustee (or equivalent), or officer.

Annually, applying these criteria and NYSE standards, the Corporate Governance Committee considers and the board establishes the independence of non-employee directors.

Director Responsibilities

The Corporate Governance Committee is responsible for advising the board with respect to the board's membership. In fulfilling that responsibility, the committee develops and the board approves the Responsibilities of CIGNA Corporation Directors. Those responsibilities are:

Independence and integrity;

Good understanding of CIGNA's businesses;

Understanding the importance of representing the total shareholder constituency and increasing shareholder value;

Active, objective and constructive participation at board and committee meetings;

Review and understanding of advance briefing materials;

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Sharing one's expertise, experience, knowledge and insights as they relate to the matters before the board;

Advancing CIGNA's purposes and reputation;

Effectively contributing to management evaluation and succession planning;

Availability to the Chief Executive Officer for consultation; and

Regular attendance.

Director Selection

Beyond the Responsibilities, the Corporate Governance Committee, in consultation with the board, develops more specific Director Recruitment Criteria to guide director searches. The criteria are as follows:

Directors should represent all shareholders.

Directors must be free of conflicts of interest.

Directors must possess good judgment and the ability to analyze complex business and public issues.

Directors must have demonstrated a high degree of achievement in their respective fields.

Diversity, in its many forms, is preferred.

The board should reflect the broad-based experience of the directors. Governing CIGNA Corporation effectively requires a wide range of capabilities and professional attributes, among them:

Financial acumen;

Familiarity with channels of distribution;

Awareness of consumer market trends;

Insight into government relationships and processes;

Familiarity with the challenges of operating businesses in the international marketplace;

Familiarity with processes for developing and implementing effective human resources policies and practices; and

Insight into the process of developing and delivering high-quality products and services that respond directly to customer needs and expectations.

The Corporate Governance Committee welcomes suggestions from shareholders for board membership.

The chairman of the Corporate Governance Committee (or another director designated by the chairman of the Corporate Governance Committee) interviews director candidates prior to the committee making its recommendation that the board:

elect the candidate in the case of a director vacancy; or

nominate the candidate for election by the shareholders.

The board requires that any director discontinuing the principal position that prevailed at the time of the director's election to the board give notice and an offer of resignation to the Corporate Governance Committee.

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Under ordinary circumstances, the Chief Executive Officer will leave the board when he/she retires as a CIGNA employee.

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Directors shall retire no later than the annual meeting of shareholders following their seventy-second birthday.

Committee Structure and Composition

There currently are four working committees of the board: Audit, Corporate Governance, Finance, and People Resources.

The Executive Committee has authority to manage CIGNA's business between regular board meetings. However, it is not intended to be a working committee and meets infrequently. The board has, at various times, created *ad hoc* committees to focus on particular issues. The Corporate Governance Committee is responsible for ensuring the appropriateness and effectiveness of the board's committee structure.

Annually, the Corporate Governance Committee reviews committee assignments. In consultation with the Chairman of the Board, it recommends (for action by the full board) committee assignments for directors, in line with board needs and individual strengths. Directors generally serve on a working committee for about five years before rotating.

The four working committees consist of directors who meet the New York Stock Exchange's standards for independence. In addition, Audit Committee members meet the Securities and Exchange Commission's standards for independence. At least one Audit Committee member will be an audit committee financial expert, as defined by the Securities and Exchange Commission.

Summary of committee responsibilities: (Note: a current copy of the committee charters can be found on the Company's website <http://www.cigna.com/general/about/governance/committee.html>)

The Audit Committee is responsible for ensuring that policies and procedures are in place to ensure the timely disclosure of accurate information, compliance with legal requirements and adherence to ethical standards. It is also responsible for appointing, compensating, overseeing the work of and removing CIGNA Corporation's independent auditors.

The Corporate Governance Committee is responsible for reviewing, advising, and reporting to the board regarding the board's membership, structure, organization and performance as well as director selection and compensation.

The Finance Committee is responsible for overseeing and advising the board regarding the Corporation's capital structure and use, long-term financial objectives and progress against those objectives, and investments.

The People Resources Committee is responsible for overseeing the policies and processes for people development, including the succession plan for the principal executive officers. In fulfilling that responsibility, the committee conducts an annual management development and succession plan review. The committee reports to the board on this review. This committee also evaluates the Chief Executive Officer annually and shares its assessment with the board when reporting on compensation actions for the Chief Executive Officer. The committee's evaluation and report to the board are done in the absence of the Chief Executive Officer. The results of the evaluation are shared with the Chief Executive Officer. The committee also reviews and approves executive compensation plans and equity-based plans, subject to applicable board and shareholder approvals.

Committee chairs regularly report to the full board on committee proceedings and actions.

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Agenda, Materials, Education & Resources

The board meeting schedule and agenda are developed with direct input from directors. The duration of each meeting varies as business needs dictate.

Briefing materials generally are distributed at least a full week in advance of the board and committee meetings. The briefing materials include regular reviews of operating results, competitive performance, performance against plan and background information for the presentations and discussions to occur at the upcoming meetings.

New directors participate in an orientation program. They meet with the Chief Executive Officer and staff officers at the time they join the board. Upon election to a committee, they meet with that committee's staff officer and are provided with more committee-specific training/reading.

The board and committees regularly devote time to continuing director education.

The board and its committees are able to access appropriate independent advisors.

Periodically, board meetings are devoted primarily to strategy issues.

Performance Evaluation

The board regularly discusses its performance at some length. On an ongoing basis, directors offer suggestions and alternatives intended to further improve board performance.

Annually, each working committee reviews its performance and the adequacy of its written charter. Then, in consultation with the committee's staff officer, it agrees upon a meeting schedule (including frequency and length of meetings) and tentative agenda for the upcoming year. Agenda items are added and deleted during the course of the year at the members' request and as business developments warrant.

The Corporate Governance Committee reviews the performance of each director annually and always in advance of making a determination as to whether the committee should recommend the director's renomination to the board.

The Chairman conducts exit interviews with retiring directors.

Senior Management and the Board

Over the years, the CIGNA Corporation Board has modified the roles and responsibilities of CIGNA's top officers utilizing in varying combinations and configurations the offices of Chairman, Chief Executive Officer, Co-Chairman, Vice Chairman, Chief Operating Officer and President as circumstances required. The board is responsible for electing people to fill these positions.

Each committee is assigned a member of senior management to act as a staff officer. The staff officers always attend the committee meetings and board meetings. This gives directors a range of contact people within the company with whom they are familiar.

Several members of the Chief Executive Officer's staff regularly attend board meetings. Others attend when making presentations. In between meetings and at their discretion, directors are free to contact members of management.

The board has established a process to identify the next Chief Executive Officer. The board has established desired characteristics for the Chief Executive Officer position, essentially to guide the succession planning process and management development programs.

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Executive Sessions

The board meets in Executive Session at the beginning of every board meeting. The Chief Executive Officer leaves these sessions when the board feels it is appropriate. Twice a year, the board meets in extended Executive Session without the Chief Executive Officer. Generally, the appropriate committee chairperson leads the discussion in regularly scheduled executive sessions at which the Chief Executive Officer is not present.

Director Compensation

The Corporate Governance Committee reviews the non-employee director compensation program annually. The committee then makes recommendations to the board for action.

Stock-based compensation has been and is an important component of the non-employee director compensation program.

No non-employee director is paid consulting, advisory or other fees in addition to the compensation paid pursuant to the non-employee director compensation program.

External Relationships

In general, management speaks for the corporation. Inquiries from reporters, shareholders or others are referred to management for response.

Directors must consult with the Chairman and Chief Executive Officer prior to accepting additional for-profit directorships.

The board maintains an address for receipt of shareholder and interested party communications.

The board encourages directors attendance at the Annual Meeting of Shareholders.

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The full board held 13 meetings during 2003.

The board has five committees: Audit, Corporate Governance, Executive, Finance and People Resources. A summary description of each committee's responsibilities can be found in Board Practices on page 10 of this proxy statement. The following table shows the members of each committee and how many meetings were held during 2003.

Current Committee Membership and Meetings Held During 2003

Name	Audit*	Corporate Governance*	Executive	Finance*	People Resources*
R. H. Campbell				M	M
H. E. Hanway			C		
P. N. Larson	M		M	C	
J. Neubauer	C		M	M	
C. R. Shoemate	M	M			
L. W. Sullivan, M.D.		M			M
H. A. Wagner		M	M		C
C. C. Wait	M			M	
M. Ware		C	M		M
# of 2003 meetings	8	5	0	7	8

C = Chair

M = Member

* = Chair and Members are non-employee directors

Each director attended 83% or more of the regularly scheduled and special meetings of the board and board committees on which he or she served in 2003. Ten directors, all of the 2003 nominees and directors continuing in office following the 2003 meeting, attended the 2003 Annual Meeting of Shareholders.

Based on CIGNA's director independence standards, the board has affirmatively determined that all of the directors, except Mr. Hanway, are independent.

All Audit Committee members have significant experience with financial reporting and internal control matters. Our designated audit committee financial expert is Joseph Neubauer, the chair of the committee, although other members of the Audit Committee also would qualify as audit committee financial experts. Each member of the Audit Committee is an independent director under the listing standards of the New York Stock Exchange.

Each member of the Corporate Governance Committee is an independent director under the listing standards of the New York Stock Exchange.

Retained third-party director search firm

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SpencerStuart, a search firm, has been retained by the Corporate Governance Committee to assist the committee in identifying and evaluating candidates for board membership who best match CIGNA's Director Recruitment Criteria and would best be able to carry out the Responsibilities of CIGNA Corporation Directors.

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Shareholder suggestions for board nominees

The Corporate Governance Committee is responsible for reviewing, advising, and reporting to the board regarding the board's membership, structure, organization and performance as well as director selection and compensation. In that capacity, the committee welcomes shareholder suggestions for board nominees. Shareholders desiring the committee to consider their suggestions for board nominees should submit their suggestions together with appropriate biographical information and qualifications to the committee. Correspondence may be addressed to CIGNA Corporation, Corporate Secretary, 1650 Market Street, Philadelphia, Pennsylvania, 19192. The Corporate Governance Committee generally considers nominees for the following Annual Meeting in October. Accordingly, suggestions for board nominees should be submitted by October 1, 2004 to ensure consideration for the 2005 Annual Meeting. Shareholder suggestions for board nominees are evaluated using the same criteria described in CIGNA's Board Practices on page 9 of this proxy statement.

Direct communication with the board of directors

Shareholders and interested parties may contact the board of directors, all of the non-employee directors or specified individual directors by writing to them at: Director Access Address, Attn: Office of the Corporate Secretary, 1650 Market Street, OL 56A, Philadelphia, PA 19192. All communications will be compiled by the Corporate Secretary and periodically submitted to the board or individual directors. The Corporate Secretary will also promptly advise the appropriate member of management of any concerns relating to products or services.

Shareholders and interested parties may submit comments or complaints relating to the company's accounting, internal accounting controls or auditing matters by writing to: CIGNA Corporation, Attn: General Auditor, Corporate Audit Department, Two Liberty Place, TL 45 A, 1601 Chestnut Street, Philadelphia, PA 19192. In certain instances, these matters will be referred to the Audit Committee.

Both of these addresses are also posted at <http://www.cigna.com/general/about/governance/index.html>.

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The following table shows:

how much CIGNA common stock each director, nominee, the Chief Executive Officer, and each executive officer named in the Summary Compensation Table (named executive officers) owns, either directly or beneficially;

how much CIGNA common stock the directors, nominees and executive officers own as a group, either directly or beneficially; and

the number of common stock equivalents that non-employee directors and executive officers have accumulated under deferred compensation arrangements.

Stock is owned beneficially by the person who exercises voting or investment power over the security, even if another person is the record owner.

Common stock equivalents track the economic performance of CIGNA common stock but do not carry voting rights.

Name	Wholly-owned Common Stock	Restricted Common Stock	Shares That Can Be Acquired Within 60 days of January 31, 2004 by Exercising Stock Options	Holdings in CIGNA Stock Funds of 401(k) Plans	Common Stock Equivalents	Total
<i>Directors</i>						
Robert H. Campbell	1,377	4,500	-0-	-0-	12,201	18,078
H. Edward Hanway	100,888	124,445	960,340	281	240,649	1,426,603
Jane E. Henney, M.D.	-0-	-0-	-0-	-0-	-0-	-0-
Peter N. Larson	2,000	4,500	-0-	-0-	9,325	15,825
Joseph Neubauer	3,375	4,500	-0-	-0-	8,234	16,109
Charles R. Shoemate	6,879 ¹	4,500	-0-	-0-	7,992	19,371
Louis W. Sullivan, M.D.	2,560	4,500	-0-	-0-	8,668	15,728
Harold A. Wagner	4,522	4,500	-0-	-0-	7,307	16,329
Carol Cox Wait	762	4,500	-0-	-0-	7,589	12,851
Marilyn Ware	84,427 ²	4,500	-0-	-0-	5,266	94,193
<i>Named Executive Officers</i>						
John Y. Kim	5,000	34,120	72,267	72	-0-	111,459
Michael W. Bell	1,783	29,660	78,449	2,139	4,927	116,958
Judith E. Soltz	12,389	15,060	76,673	250	17,972	122,344

