CIGNA CORP
Form 11-K
June 29, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

(Mark One)

[X]	ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the fiscal year ended December 31, 2008
	OR
[ ]	TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the transition period from ___ to ___

Commission File Number 1-08323

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

CIGNA 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CIGNA Corporation
Two Liberty Place
1601 Chestnut Street
Philadelphia, PA 19192

Required Information

Financial statements and schedules for the CIGNA 401(k) Plan, prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, are contained in this Annual Report on Form 11-K.

Exhibits

Exhibits are listed in the Index to Exhibits.

CIGNA 401(k) PLAN

Financial Statements and
Supplemental Schedule

December 31, 2008 and 2007

CIGNA 401(k) PLAN

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
the CIGNA 401(k) Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the CIGNA 401(k) Plan (the “Plan”) at December 31, 2008 and 2007, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
June 29, 2009

CIGNA 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	As of December 31, 2008	2007
	(In thousands)	
Assets		
Investments, at fair value (See Notes 4 and 5)	$ 1,892,462	$ 2,613,288
Employer contributions receivable	-	4,896
Dividends receivable	-	81
Net assets available for benefits, at fair value	1,892,462	2,618,265
Adjustment from fair value to contract value for fully benefit-responsive investment contracts (See Note 3)	105,671	(9,719)
Net assets available for benefits	$ 1,998,133	$ 2,608,546

The accompanying Notes to the Financial Statements are an integral part of these statements.

CIGNA 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Years Ended December 31, 2008	2007
	(In thousands)	
Investment income		
Net appreciation (depreciation) in fair value of investments (See Note 5)	$ (670,646)	$ 144,471
Interest	59,526	54,201
Dividends	325	321
Net investment income (loss)	(610,795)	198,993
Contributions		
Employee contributions	105,298	98,086
Employer contributions	33,678	35,427
Rollover contributions	43,725	4,491
Settlement from class action lawsuit	1,389	-
Total contributions	184,090	138,004
Benefits paid to participants and other expenses	(199,691)	(266,756)
Net increase (decrease)	(626,396)	70,241
Transfers from other plans (See Note 2)	15,983	-
Net assets available for benefits		
Beginning of year	2,608,546	2,538,305
End of year	$ 1,998,133	$ 2,608,546

The accompanying Notes to the Financial Statements are an integral part of these statements.

CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Description of the Plan

The following description of the CIGNA 401(k) Plan (the Plan) provides general information only. A more complete explanation of the features and benefits available under the Plan, a defined contribution plan, is contained in the CIGNA 401(k) Plan Summary Plan Description and Prospectus. Generally, all U.S.-based employees of CIGNA Corporation (CIGNA) and its participating subsidiaries are eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Plan Administration

The Corporate Benefit Plan Committee (Committee) is the primary Plan fiduciary. The Committee comprises several members of CIGNA's management. The Committee delegates responsibility for administration of the Plan to the Plan Administrator, a CIGNA employee, and responsibility for the Plan's financial management to CIGNA's Chief Financial Officer (CFO). The Plan Administrator and CFO, in turn, have contracted with Prudential Retirement Insurance and Annuity Company (PRIAC) to perform the primary administrative, recordkeeping and asset management functions. A group of CIGNA financial and benefits management employees monitors the Plan's investment objectives and performance of the Plan's investment options.

Investments

The Plan's investment options include a fixed group annuity contract (the Fixed Income Fund), which is a benefit-responsive investment contract (see Note 7); the CIGNA Stock Fund that invests in CIGNA common stock; and pooled separate accounts that invest in a variety of underlying funds. In 2007 and 2008, the Plan also provided several custom fund investment options that combined the Fixed Income Fund and pooled separate accounts. These custom fund options were no longer offered by the Plan after June 4, 2008. Participants may transfer assets among the investment options, subject to certain restrictions. See Note 3 and Note 5 for additional information.

Employee Contributions

The Plan permits participants to make tax-deferred contributions by payroll deduction, up to the lesser of 25% of the participant's eligible earnings or the annual dollar limit set by the Internal Revenue Service (IRS). To comply with nondiscrimination requirements of the Internal Revenue Code (IRC), the Plan administrator currently limits the contribution percentage of highly compensated employees to 10% of eligible earnings. Tax-deferred contributions are referred to as "employee contributions." Employee contributions may be invested in any combination of investment options offered by the Plan subject to certain other IRC limitations and any restrictions imposed under CIGNA Corporation's Policy on Securities Transactions and Insider Trading.

A participant who attains age 50 before the end of a plan year may qualify to make additional tax-deferred contributions (called catch-up contributions) for that year, up to the lesser of 25% of eligible earnings or the annual dollar limit set by the IRS. Catch-up contributions are subject to certain limitations to comply with the IRC.

CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Employer Contributions

Participants who have completed one year of eligible service may receive employer-matching contributions. The Plan provides for two kinds of matching contributions – a regular match and a variable match. These matching contributions are collectively referred to as "employer contributions."

The regular matching contribution is an automatic contribution that is equal to 50% of a participant's employee contributions that do not exceed 6% of the participant's eligible earnings. Any employee contributions in excess of 6% of a participant's eligible earnings are not matched by CIGNA. Catch-up contributions are not matched by CIGNA. For most participants, half of the regular matching contributions are invested in the CIGNA Stock Fund. Any matching contributions that are not required to be invested in the CIGNA Stock Fund are invested automatically in the same manner as employee contributions.

The variable matching contribution is an annually-determined discretionary contribution that may be up to 2% of a participant's eligible earnings and is automatically invested in the CIGNA Stock Fund. For the year ended December 31, 2007, the variable matching contributions were approximately $4.9 million. There were no variable matching contributions for the year ended December 31, 2008.

The Plan allows participants to transfer any automatically-invested (i.e. nonparticipant-directed) employer contributions and related investment results out of the CIGNA Stock Fund and into any other Plan investment option at any time, subject to any restrictions imposed under CIGNA Corporation's Policy on Securities Transactions and Insider Trading.

Rollover Contributions

The Plan may accept rollover contributions. Rollover contributions represent distributions received from other "eligible retirement plans," as defined in IRC section 401(a)(31)(E). Distributions from other plans are subject to certain conditions to be eligible for rollover into the Plan. During 2008, the employees CIGNA acquired from the Healthcare division of Great-West Life and Annuity, Inc. ("Great-West") were allowed to do individual rollovers into the Plan, which resulted in rollover contributions of approximately $37 million.

Settlement of Class Action Lawsuit

During 2008, the Plan received $1.4 million as part of the settlement of the shareholder class action lawsuit with CIGNA Corporation. The amount represents the portion of the settlement for Plan participants invested in the CIGNA Stock Fund during 2001 and 2002. This amount has not yet been allocated to participant accounts, as the Plan administrator is still reviewing the appropriate method to allocate the settlement to individual Plan participants.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of a) the employer contribution and b) investment earnings, net of expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Vesting

Employee contributions and related investment earnings are fully vested at all times. Employer contributions and related investment earnings vest 20% for each year of vesting service and are fully vested after five years. Participants earn a year of vesting service if they have at least 1,000 hours of service during the calendar year period. Early vesting rules may apply upon joining the Plan if the participant was previously employed by a CIGNA company or had an account in certain plans that have since merged into the Plan. Employer contributions and related investment earnings are fully vested upon an employee's attainment of age 65, death or total and permanent disability. Full vesting would also occur if a participating CIGNA company is sold and does not maintain a successor plan, if CIGNA discontinues matching contributions or if the Plan is terminated.

Forfeitures

Upon termination of a participant's employment, unvested employer contributions and related investment earnings are forfeited. Forfeited amounts are used to reduce future employer contributions. In 2008 and 2007, employer contributions were reduced by forfeited amounts of approximately $1.3 million and $1.0 million, respectively.

Participant Loans

The Plan permits participants to borrow a portion of their vested Plan account, subject to certain limitations, at an annual rate of interest with a specified repayment period. The minimum amount that may be borrowed is $1,000; the maximum total loan amount is the lesser of $50,000 or 50% of the participant's vested account balance. A participant may have no more than two outstanding loans. Loan terms range from 12 to 60 months or up to 120 months if the loan is used to buy or build a participant's primary residence. The annual interest rate for a Plan loan is 2% plus the yield of actively traded U.S. Treasury securities, adjusted by the U.S. Treasury Department to 3-year or 7-year constant maturities. The maximum Plan loan interest rate is the bank prime loan rate that is in effect on the same date that the applicable Treasury rate is determined. Loan interest rates remain fixed during the term of the loan. The loan is secured by the participant's account balance.

Payment of Benefits

Participants may withdraw funds subject to the requirements of the Plan. On termination of employment due to death, disability, retirement or other reasons, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested account balance, monthly installments over a period of years, an annuity, or a combination of these forms of payment. If a vested account balance is more than $1,000 but not more than $5,000 and the participant does not agree within 80 days to accept a lump sum, the amount will automatically be rolled over to a Prudential Bank & Trust Individual Retirement Account (IRA). The IRA will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. All related expenses will be charged to the IRA. To the extent amounts are invested in the CIGNA Stock Fund, a participant may elect to receive such amounts in shares of CIGNA common stock.

CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Plan Expenses

The investment results of all funds except for the CIGNA Stock Fund are net of management fees, investment expenses, risk charges and administrative costs charged by PRIAC. Brokers' commissions resulting from buying or selling stock in the CIGNA Stock Fund are paid from the participants' accounts and have been reflected as a reduction of the CIGNA Stock Fund's investment income in these financial statements. Other costs associated with the operation of the Plan, including trustee and legal fees, are paid by CIGNA.

Plan Termination

CIGNA intends to continue the Plan indefinitely, but reserves the right to discontinue employer contributions or terminate the Plan in whole or in part at any time. If contributions are discontinued or the Plan is terminated, affected participants will become fully vested. Upon Plan termination, net assets of the Plan will be distributed in the manner CIGNA elects in accordance with the Plan document and in accordance with ERISA and its related regulations.

Plan Trustee

As of December 31, 2008 and 2007, Prudential Bank & Trust, FSB, was the Trustee for the Plan.

Note 2 - Plan Mergers

On January 2, 2008, the assets of the Sagamore Health Network, Inc. (Sagamore) 401(k) Plan were merged into the Plan with a transfer of approximately $11.5 million. Former participants of Sagamore now have CIGNA 401(k) accounts and are covered by the terms and provisions of the CIGNA 401(k) Plan.

In addition, approximately $4 million of loans were transferred into the Plan during the year from former Great-West 401(k) Plan participants. The Great-West 401(k) Plan continues to exist and no other assets from that plan were transferred into the CIGNA 401(k) Plan. However, former Great-West employees were allowed to do individual rollovers into the Plan. See Note 1 for information on these rollover contributions.

Note 3 - Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

On April 25, 2007, CIGNA's Board of Directors approved a three-for-one stock split (in the form of a stock dividend) of CIGNA's common shares. The additional shares of common stock were distributed on June 4, 2007 to shareholders of record as of the close of business on May 21, 2007. Share amounts for all years presented have been adjusted to reflect the effect of the stock split.

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NOTES TO THE FINANCIAL STATEMENTS

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP) effective for reporting periods after December 15, 2006, investment contracts held by a defined contribution plan are required to be reported at fair value. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts. The adjustment of the fully benefit-responsive investment contracts from fair value to contract value is separately disclosed on the Statement to determine net assets available for benefits. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. For example, management considers the valuation of investments to be a critical accounting estimate (see below). Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Plan investments are reported at fair value. The fair value of CIGNA common stock is based upon its quoted market price. Fair value of pooled separate accounts is measured by the net unit value, which is based on the fair value of the underlying assets of the account. Participant loans are valued at their outstanding balances. PRIAC determines the estimated fair value of the Fixed Income Fund by approximating the market value of the underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal. The estimate of fair value is then adjusted back to contract value to reflect the fact that withdrawals from the Fixed Income Fund are at contract value.

Purchases and sales of securities are recorded on a trade-date basis. Interest is recognized when earned. Dividends are recognized on the declared date of record.

Payment of Benefits

Benefits are recorded when paid.

Accounting Pronouncement

Effective January 1, 2008, the Plan adopted Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 defines fair value, establishes a framework for establishing fair value and expands disclosure about fair value measurements. It applies to other pronouncements that require or permit fair value but does not require any new fair value measurements. The statement defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." There was no impact on the carrying

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CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

value of investments resulting from the adoption of SFAS 157. See Note 4 for additional information.

Note 4 - Fair Value Measurements

The Plan carries certain financial instruments at fair value in the financial statements including fixed maturities, equity securities and short-term investments. Other financial instruments are periodically measured at fair value, such as when impaired.

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date.

Fair values are based on quoted market prices when available. For pooled separate accounts, fair value is based on net unit value as reported by PRIAC. PRIAC has represented that the net unit value in the pooled separate accounts represents the amount the Plan would have received in an orderly transaction at the balance sheet date. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Plan estimates fair value using methods, models and assumptions that the Plan believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment by the Plan which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

The Plan’s financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by SFAS No. 157. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or a liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Plan determines that unobservable inputs are insignificant.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Plan’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Financial Assets Measured at Fair Value on a Recurring Basis

The following table provides information as of December 31, 2008 about the Plan's financial assets measured at fair value on a recurring basis.

(In thousands)	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Corporate stocks (1)	$ 155,883	$ -	$ -	$ 155,883
Pooled separate accounts:				
Fixed maturities		22,758		22,758
Equity securities		583,670	-	583,670
Fixed Income Fund			1,084,586	1,084,586
Participant Loans			45,565	45,565
Total assets at fair value	$ 155,883	$ 606,428	$ 1,130,151	$ 1,892,462

(1) As of December 31, 2008, corporate stocks represent shares of CIGNA common stock.

Level 1

Level 1 assets consist of shares of CIGNA common stock. These assets are valued at the closing price reported on the active markets on which CIGNA stock is traded.

Level 2

Level 2 assets consist of investments in pooled separate accounts of PRIAC. Such investments are valued at the net asset value of shares held by the Plan at the end of the year.

Level 3

Level 3 assets consist of the fixed income fund and participant loans. Since a significant amount of the securities underlying the fixed income fund are valued using discounted cash flow techniques with unobservable market inputs, the fixed income fund is classified in Level 3. Participant loans are valued at amortized cost which approximates fair value. Since there is no active market for participant loans, they were included in Level 3.

Changes in Level 3 Financial Assets Measured at Fair Value on a Recurring Basis

The following table summarizes the changes in financial assets classified in Level 3 for the year ended December 31, 2008. Changes in fair value reported in this table may include amounts attributable to both observable and unobservable inputs.

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NOTES TO THE FINANCIAL STATEMENTS

(In thousands)	Level 3 Assets Year Ended December 31, 2008	
	Fixed Income Fund	Participant Loans
Balance, beginning of year	$1,104,829	$40,214
Net change in fair value	(115,390)	-
Purchases, sales, issuances and settlements (net)	95,147	5,351
Balance, end of year	$1,084,586	$45,565

Note 5 – Investments

The following table presents investments that represent 5% or more of the Plan’s net assets.

	As of December 31,	
	2008	2007
	(In thousands)	
PRIAC Fixed Income Fund (contract interest rate: 5.05% and 4.90%, respectively)	$ 1,084,586	$ 1,104,829
CIGNA Stock Fund* (9,251,221 and 8,157,668 shares, respectively)	$ 155,883	$ 438,312
PRIAC Dryden S&P 500 Index Fund	$ 133,720	$ 229,754

*Includes nonparticipant-directed investments (See Note 6)

During 2008 and 2007, the Plan’s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	For the Years Ended December 31,	
	2008	2007
	(In thousands)	
CIGNA common stock	$ (296,481)	$ 85,153
PRIAC pooled separate accounts and custom funds	(374,165)	59,318
Net appreciation (depreciation)	$ (670,646)	$ 144,471

CIGNA 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Nonparticipant-Directed Investments

The following presents information about the nonparticipant-directed investments representing automatically-invested employer contributions and related investment results and the significant components of the changes therein. (See Note 1 for additional information):

	As of December 31,	
	2008	2007
	(In thousands)	
Investment:		
CIGNA Stock Fund	$ 55,277	$ 163,989

	For the Years Ended December 31,	
	2008	2007
	(In thousands)	
Changes in investment:		
Contributions	$ 18,306	$ 24,483
Dividends	152	115
Net appreciation (depreciation) in fair value of investments	(112,536)	31,566
Benefits paid	(8,912)	(15,110)
Loan activity (net of repayments and interest)	810	(771)
Net transfers to participant-directed investments	(6,532)	(13,605)
Net increase (decrease)	$ (108,712)	$ 26,678

Note 7 - Investment Contract with Insurance Company

The Plan has a benefit-responsive investment contract with PRIAC for the Fixed Income Fund. PRIAC maintains the contributions in a general account. The account is credited with interest, whose rate is set by PRIAC, on the underlying investments and charged for participant withdrawals and administrative expenses. The issuer is contractually obligated to repay the principal and accumulated interest that are guaranteed to the Plan. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The interest rate may be changed at any time (may not be less than 1.5%). PRIAC must give advance notice of any change in the interest rate to the Plan Administrator. PRIAC sets the interest rate based on the expected investment performance of a pool of assets owned by

CIGNA 401(k) PLAN

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PRIAC and held in its general account. Average yields for the Fixed Income Fund are as follows:

	2008	2007
Average earnings yield	5.54%	5.04%
Average crediting rate yield	5.56%	4.86%

A plan sponsor initiated termination of the contract is an event that could limit the ability of the plan to transact at contract value within 90 days of termination. In this instance contract value would be paid over time, or at the plan sponsor's discretion, paid immediately after applying a market value adjustment. The Plan Administrator does not believe that the occurrence of such event is probable.

Note 8 - Tax Status

The IRS has determined and informed CIGNA by a letter dated August 11, 2003 that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the IRC. The Plan has been amended since receiving the determination letter and on January 29, 2007, CIGNA requested a new determination letter. Management believes the Plan is designed and is currently operating in compliance with the applicable requirements of the IRC.

Note 9 - Related Party Transactions

The Plan invests in CIGNA common stock. During the year ended December 31, 2008, the Plan purchased shares of CIGNA common stock for approximately $72.8 million and sold shares of CIGNA common stock for approximately $58.7 million, and experienced net depreciation of approximately $296.5 million. During the year ended December 31, 2007, the Plan purchased shares of CIGNA common stock for approximately $66.2 million, sold shares of CIGNA common stock for approximately $101.6 million, and experienced net appreciation of approximately $85.2 million.

Note 10 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Note 11 – Subsequent Events

In 2009, CIGNA announced that effective January 1, 2010, it will increase its company match from 3% to 4.5% of eligible pay. In addition, all employees will be immediately eligible for the company match as soon as they join the Plan, rather than after completing one year of service, as is currently required. Also, the vesting schedule for company matching contributions made after 2009 will change so that a participant will be fully vested in company matching contributions after two years of vesting service. The current graduated vesting schedule, 20% per year of vesting service, will continue to apply to company matching contributions made before 2010.

SUPPLEMENTAL SCHEDULE

CIGNA 401(k) PLAN

FORM 5500 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

As of December 31, 2008
(In thousands)

	Identify of issue, borrower, lessees or similar party	Description	Current Value
*	PRIAC Fixed Income Fund (contract interest rate: 5.05%)	General Account Contract	$ 1,084,586
*	CIGNA Stock Fund	Common Stock	155,883
	CIGNA common stock (cost, $238,999)		
*	PRIAC Dryden S&P 500 Index Fund	Pooled Separate Account	133,720
*	PRIAC Large Cap Growth Fund		
	Large Cap Growth Fund / Wellington Management Fund	Pooled Separate Account	42,551
	Large Cap Growth / Waddell & Reed Investment Fund	Pooled Separate Account	42,550
			85,101
*	PRIAC Large Cap Value Fund		
	Large Cap Value Fund / Wellington Management Fund	Pooled Separate Account	30,300
	Large Cap Value / Barrow, Hanley, Mehwinney & Strauss Fund	Pooled Separate Account	30,299
			60,599
*	PRIAC Mid Cap Value Fund		
	Mid Cap Value / Cooke & Bieler Fund	Pooled Separate Account	24,949
	Mid Cap Value / Integrity Asset Management Fund	Pooled Separate Account	24,948
			49,897
*	PRIAC Small Cap Growth Fund		
	Small Cap Growth / TimesSquare Fund	Pooled Separate Account	24,544
	Small Cap Growth / Essex Investment Management Fund	Pooled Separate Account	24,543
			49,087
*	PRIAC Foreign State Index Fund	Pooled Separate Account	47,673
	(formerly: State Street Global Adv EAFE Index Fund)		
*	PRIAC Small Cap Value Fund		
	Small Cap Value / Mellon Capital Management Fund	Pooled Separate Account	21,003
	Small Cap Value / Opus Capital Management Fund	Pooled Separate Account	21,002
			42,005
*	PRIAC International Blend Fund	Pooled Separate Account	41,967
	(formerly: International Blend / Boston Co. Fund)		

*	PRIAC Mid Cap Growth Fund		
	Mid Cap Growth / Artisan Partners Fund	Pooled Separate Account	18,515
	Mid Cap Growth / Westfield Capital Management Fund	Pooled Separate Account	18,514
			37,029
*	PRIAC Barclays Extended Equity Market Index Fund	Pooled Separate Account	36,592
*	PRIAC High Yield Bond Fund (formerly: High Yield Bond / Caywood-Scholl Fund)	Pooled Separate Account	22,758
	Participant Loans (interest rate: 3.44% to 9.25%; maturities 2009-2018)	Participant Loans	45,565
	Total assets held for investment purposes		$ 1,892,462

* indicates party-in-interest to the Plan

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

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Date: June 29, 2009	By:	/s/ James Wolf James Wolf Plan Administrator

Index to Exhibits

Number	Description	Method of Filing
23	Consent of Independent Registered Public Accounting Firm	Filed herewith.