UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____ to _____

Commission file number 1-38769

Cigna Corporation
(Exact name of registrant as specified in its charter)

Delaware	**82-4991898**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

900 Cottage Grove Road
Bloomfield, Connecticut 06002
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(860) 226-6000**

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01	CI	New York Stock Exchange, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No _

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No _

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller Reporting Company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes _

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of April 30, 2021, 343,145,549 shares of the issuer's common stock were outstanding.

Cigna Corporation

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As used herein, "Cigna" or the "Company" refers to one or more of Cigna Corporation and its consolidated subsidiaries.

Part I. ***FINANCIAL INFORMATION***

Item 1. ***FINANCIAL STATEMENTS***

Cigna Corporation
Consolidated Statements of Income

	Unaudited	
	Three Months Ended March 31,	
(In millions, except per share amounts)	**2021**	**2020**
Revenues		
Pharmacy revenues	**$ 28,025**	$ 25,098
Premiums	**10,214**	10,840
Fees and other revenues	**2,341**	2,178
Net investment income	**391**	353
TOTAL REVENUES	**40,971**	38,469
Benefits and expenses		
Pharmacy and other service costs	**27,235**	24,190
Medical costs and other benefit expenses	**8,005**	8,322
Selling, general and administrative expenses	**3,279**	3,398
Amortization of acquired intangible assets	**495**	498
TOTAL BENEFITS AND EXPENSES	**39,014**	36,408
Income from operations	**1,957**	2,061
Interest expense and other	**(314)**	(391)
Debt extinguishment costs	**(131)**	(185)
Net realized investment gains (losses)	**1**	(88)
Income before income taxes	**1,513**	1,397
TOTAL INCOME TAXES	**342**	208
Net income	**1,171**	1,189
Less: Net income attributable to noncontrolling interests	**10**	8
SHAREHOLDERS' NET INCOME	**$ 1,161**	$ 1,181
Shareholders' net income per share		
Basic	**$ 3.33**	$ 3.19
Diluted	**$ 3.30**	$ 3.15

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

Cigna Corporation
Consolidated Statements of Comprehensive Income

	Unaudited Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Net income	**$ 1,171**	$ 1,189
Other comprehensive loss, net of tax		
Net unrealized appreciation (depreciation) on securities and derivatives	**(273)**	(428)
Net translation gains (losses) on foreign currencies	**(119)**	(175)
Postretirement benefits liability adjustment	**18**	13
Other comprehensive loss, net of tax	**(374)**	(590)
Total comprehensive income	**797**	599
Comprehensive income (loss) attributable to noncontrolling interests		
Net income attributable to redeemable noncontrolling interest	**5**	4
Net income attributable to other noncontrolling interests	**5**	4
Other comprehensive (loss) attributable to redeemable noncontrolling interest	**(4)**	(4)
Total comprehensive income attributable to noncontrolling interests	**6**	4
SHAREHOLDERS' COMPREHENSIVE INCOME	**$ 791**	$ 595

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

Cigna Corporation
Consolidated Balance Sheets

	Unaudited	
(In millions)	**As of March 31, 2021**	**As of December 31, 2020**
Assets		
Cash and cash equivalents	**$ 6,505**	$ 10,182
Investments	**1,477**	1,331
Accounts receivable, net	**13,588**	12,191
Inventories	**2,919**	3,165
Other current assets	**1,065**	930
Total current assets	**25,554**	27,799
Long-term investments	**22,821**	23,262
Reinsurance recoverables	**5,175**	5,200
Deferred policy acquisition costs	**3,351**	3,385
Property and equipment	**4,114**	4,205
Goodwill	**44,635**	44,648
Other intangible assets	**34,792**	35,179
Other assets	**2,551**	2,687
Separate account assets	**9,088**	9,086
TOTAL ASSETS	**$ 152,081**	$ 155,451
Liabilities		
Current insurance and contractholder liabilities	**$ 5,743**	$ 5,308
Pharmacy and other service costs payable	**13,762**	13,347
Accounts payable	**5,640**	5,478
Accrued expenses and other liabilities	**7,921**	8,515
Short-term debt	**404**	3,374
Total current liabilities	**33,470**	36,022
Non-current insurance and contractholder liabilities	**16,424**	16,844
Deferred tax liabilities, net	**8,832**	8,939
Other non-current liabilities	**4,485**	4,629
Long-term debt	**31,568**	29,545
Separate account liabilities	**9,088**	9,086
TOTAL LIABILITIES	**103,867**	105,065
Contingencies — Note 15		
Redeemable noncontrolling interests	**59**	58
Shareholders' equity		
Common stock (1)	**4**	4
Additional paid-in capital	**29,254**	28,975
Accumulated other comprehensive loss	**(1,231)**	(861)
Retained earnings	**29,389**	28,575
Less: treasury stock, at cost	**(9,267)**	(6,372)
TOTAL SHAREHOLDERS' EQUITY	**48,149**	50,321
Other noncontrolling interests	**6**	7
Total equity	**48,155**	50,328
Total liabilities and equity	**$ 152,081**	$ 155,451

(1) Par value per share, $0.01; shares issued, 393 million as of March 31, 2021 and 390 million as of December 31, 2020; authorized shares, 600 million.

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

Cigna Corporation

Consolidated Statements of Changes in Total Equity

Unaudited

Three Months Ended March 31, 2021

(In millions)	**Common Stock**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive (Loss)**	**Retained Earnings**	**Treasury Stock**	**Shareholders' Equity**	**Other Non-controlling Interests**	**Total Equity**	**Redeemable Noncontrolling Interests**
Balance at December 31, 2020	**$ 4**	**$ 28,975**	**$ (861)**	**$ 28,575**	**$ (6,372)**	**$ 50,321**	**$ 7**	**$ 50,328**	**$ 58**
Effect of issuing stock for employee benefit plans		**279**			**(87)**	**192**		**192**	
Other comprehensive loss			**(370)**			**(370)**		**(370)**	**(4)**
Net income				**1,161**		**1,161**	**5**	**1,166**	**5**
Common dividends declared (per share: $1.00)				**(347)**		**(347)**		**(347)**	
Repurchase of common stock					**(2,808)**	**(2,808)**		**(2,808)**	
Other transactions impacting noncontrolling interests							**(6)**	**(6)**	**—**
Balance at March 31, 2021	**$ 4**	**$ 29,254**	**$ (1,231)**	**$ 29,389**	**$ (9,267)**	**$ 48,149**	**$ 6**	**$ 48,155**	**$ 59**

Three Months Ended March 31, 2020

(In millions)	**Common Stock**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive (Loss)**	**Retained Earnings**	**Treasury Stock**	**Shareholders' Equity**	**Other Non-controlling Interests**	**Total Equity**	**Redeemable Noncontrolling Interests**
Balance at December 31, 2019	$ 4	$ 28,306	$ (941)	$ 20,162	$ (2,193)	$ 45,338	$ 6	$ 45,344	$ 35
Cumulative effect of adopting new credit loss guidance (ASU 2016-13)				(30)		(30)		(30)	
Effect of issuing stock for employee benefit plans		248			(78)	170		170	
Other comprehensive loss			(586)			(586)		(586)	(4)
Net income				1,181		1,181	4	1,185	4
Common dividends declared (per share: $0.04)				(15)		(15)		(15)	
Repurchase of common stock					(979)	(979)		(979)	
Other transactions impacting noncontrolling interests							(3)	(3)	—
Balance at March 31, 2020	$ 4	$ 28,554	$ (1,527)	$ 21,298	$ (3,250)	$ 45,079	$ 7	$ 45,086	$ 35

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

Cigna Corporation
Consolidated Statements of Cash Flows

	Unaudited Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Cash Flows from Operating Activities		
Net income	**$ 1,171**	$ 1,189
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**715**	693
Realized investment (gains) losses, net	**(1)**	88
Deferred income tax (benefit)	**(35)**	(161)
Debt extinguishment costs	**131**	185
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	**(1,420)**	(1,056)
Inventories	**247**	96
Deferred policy acquisition costs	**(60)**	(138)
Reinsurance recoverable and Other assets	**40**	(210)
Insurance liabilities	**443**	341
Pharmacy and other service costs payable	**415**	408
Accounts payable and Accrued expenses and other liabilities	**(637)**	308
Other, net	**84**	144
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,093**	1,887
Cash Flows from Investing Activities		
Proceeds from investments sold:		
Debt securities and equity securities	**378**	756
Investment maturities and repayments:		
Debt securities and equity securities	**328**	408
Commercial mortgage loans	**72**	5
Other sales, maturities and repayments (primarily short-term and other long-term investments)	**364**	346
Investments purchased or originated:		
Debt securities and equity securities	**(980)**	(1,174)
Other (primarily short-term and other long-term investments)	**(637)**	(380)
Property and equipment purchases, net	**(242)**	(267)
Other, net	**—**	37
NET CASH (USED IN) INVESTING ACTIVITIES	**(717)**	(269)
Cash Flows from Financing Activities		
Deposits and interest credited to contractholder deposit funds	**47**	267
Withdrawals and benefit payments from contractholder deposit funds	**(35)**	(255)
Net change in short-term debt	**(1,030)**	(180)
Payments for debt extinguishment	**(126)**	(192)
Repayment of long-term debt	**(4,199)**	(4,209)
Net proceeds on issuance of long-term debt	**4,262**	3,470
Repurchase of common stock	**(2,794)**	(956)
Issuance of common stock	**204**	153
Common stock dividend paid	**(345)**	—
Other, net	**(35)**	84
NET CASH (USED IN) FINANCING ACTIVITIES	**(4,051)**	(1,818)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	**(26)**	(37)
Net (decrease) in cash, cash equivalents and restricted cash	**(3,701)**	(237)
Cash, cash equivalents and restricted cash January 1, (1)	**10,245**	5,411
Cash, cash equivalents and restricted cash, March 31,	**6,544**	5,174
Cash reclassified to assets of business held for sale	**—**	(597)
Cash, cash equivalents and restricted cash March 31, per Consolidated Balance Sheets (2)	**$ 6,544**	$ 4,577
Supplemental Disclosure of Cash Information:		
Income taxes paid, net of refunds	**$ 122**	$ 81
Interest paid	**$ 331**	$ 395

(1) Includes $743 million reported in Assets of business held for sale as of January 1, 2020. See table below for Cash, cash equivalents and restricted cash reconciliation.
(2) See table below for Cash, cash equivalents and restricted cash reconciliation as of March 31, 2021 and 2020.

The following table provides a reconciliation of cash, cash equivalents and restricted cash and cash equivalents reported within the Consolidated Balance Sheets to the totals above:

	Unaudited As of March 31,	
(In millions)	**2021**	**2020**
Cash and cash equivalents	**$ 6,505**	$ 4,452
Restricted cash and cash equivalents, included in other long-term investments	**39**	125
Total cash, cash equivalents and restricted cash and cash equivalents	**$ 6,544**	$ 4,577

The accompanying Notes to the Consolidated Financial Statements (unaudited) are an integral part of these statements.

CIGNA CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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Note 1 – Description of Business

Cigna Corporation, together with its subsidiaries (either individually or collectively referred to as “Cigna,” the “Company,” “we,” “our” or “us”) is a global health services organization with a mission of helping those we serve improve their health, well-being and peace of mind by making health care simple, affordable and predictable. We offer a differentiated set of pharmacy, medical, dental and related products and services 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.

The Company reports its results in the segments detailed below:

In connection with the sale of the U.S. Group Disability and Life business on December 31, 2020, the remainder of our operations previously referred to as "Group Disability and Other" in our 2020 Form 10-K is now referred to as "Other Operations". There were no changes to the underlying business included in this category. Our business that offers group voluntary products and services was not sold to New York Life and results of this business are reported in the U.S. Medical segment.

In connection with the launch of Evernorth in the third quarter of 2020, two reporting segments were renamed. Health Services was renamed as Evernorth and Integrated Medical was renamed U.S. Medical. In addition, two of our operating segments were renamed: Commercial and Government were renamed U.S. Commercial and U.S. Government respectively. There were no changes to the underlying businesses reported in the segments.

Evernorth includes a broad range of coordinated and point solution health services capabilities, as well as those from partners across the health care system in pharmacy solutions, benefits management solutions, care solutions and intelligence solutions, which are provided to health plans, employers, government organizations and health care providers.

U.S. Medical includes U.S. Commercial and U.S. Government businesses that provide comprehensive medical and coordinated solutions to clients and customers. U.S. Commercial products and services include medical, pharmacy, behavioral health, dental, vision, health advocacy programs and other products and services for insured and administrative services only ("ASO") clients. U.S. Government solutions include Medicare Advantage, Medicare Supplement and Medicare Part D plans for seniors, Medicaid plans and individual health insurance plans both on and off the public exchanges.

International Markets includes supplemental health, life and accident insurance products and health care coverage in our international markets, as well as health care benefits for globally mobile employees of multinational organizations.

The remainder of our business operations are reported in ***Other Operations,*** consisting of the following:

- ***Group Disability and Life***. Prior to the sale of the U.S. Group Disability and Life business on December 31, 2020, this segment provided group long-term and short-term disability, group life, accident, voluntary and specialty insurance products and related services.
- ***Corporate-Owned Life Insurance (“COLI”)*** offers permanent insurance contracts sold to corporations to provide coverage on the lives of certain employees for the purpose of financing employer-paid future benefit obligations.
- ***Run-off businesses:***
    - ***Reinsurance:*** predominantly comprised of guaranteed minimum death benefit (“GMDB”) and guaranteed minimum income benefit (“GMIB”) business effectively exited through reinsurance with Berkshire Hathaway Life Insurance Company of Nebraska (“Berkshire”) in 2013.
    - ***Settlement Annuity*** business in run-off.
    - ***Individual Life Insurance and Annuity and Retirement Benefits businesses:*** deferred gains from the sales of these businesses.

Corporate reflects amounts not allocated to operating segments, including net interest expense (defined as interest on corporate debt less net investment income on investments not supporting segment and other operations), certain litigation matters, expense associated with our frozen pension plans, charitable contributions, severance, certain overhead and project costs and intersegment eliminations for products and services sold between segments.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements include the accounts of Cigna Corporation and its consolidated subsidiaries. Intercompany transactions and accounts have been eliminated in consolidation. These Consolidated Financial Statements were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Amounts recorded in the Consolidated Financial Statements necessarily reflect management's estimates and assumptions about medical costs, investment and receivable valuations, interest rates and other factors. Significant estimates are discussed throughout these Notes; however, actual results could differ from those estimates. The impact of a change in estimate is generally included in earnings in the period of adjustment.

These interim Consolidated Financial Statements are unaudited but include all adjustments (including normal recurring adjustments) necessary, in the opinion of management, for a fair statement of financial position and results of operations for the periods reported. The interim Consolidated Financial Statements and Notes should be read in conjunction with the Consolidated Financial Statements and Notes included in the 2020 Annual Report on Form 10-K ("2020 Form 10-K"). The preparation of interim Consolidated Financial Statements necessarily relies heavily on estimates. This and other factors, including the seasonal nature of portions of the health care and related benefits business, competitive and other market conditions, as well as COVID-19 related impacts, call for caution in estimating full-year results based on interim results of operations.

Recent Accounting Pronouncements

The Company's 2020 Form 10-K includes discussion of significant recent accounting pronouncements that either have impacted our financial statements or may impact them in the future. There have been no updates on recently issued accounting pronouncements that have occurred since the Company filed its 2020 Form 10-K. There were no new accounting standards adopted in the first quarter of 2021 that had a material impact to our financial statements.

Note 3 – Accounts Receivable, Net

The following amounts were included within Accounts receivable, net:

(In millions)		**March 31, 2021**		**December 31, 2020**
Noninsurance customer receivables	**$**	**6,249**	$	5,534
Pharmaceutical manufacturers receivable		**4,978**		4,676
Insurance customer receivables		**2,172**		1,789
Other receivables		**189**		192
Total	**$**	**13,588**	$	12,191

These receivables are reported net of our allowances of $1.3 billion as of March 31, 2021 and $1.2 billion as of December 31, 2020. These allowances include contractual allowances for certain rebates receivable with pharmaceutical manufacturers and certain receivables from third-party payors, discounts and claims adjustments issued to customers in the form of client credits, an allowance for current expected credit losses and other non-credit adjustments.

The Company's allowance for current expected credit losses was $70 million as of March 31, 2021 and $65 million as of December 31, 2020.

Note 4 – Mergers, Acquisitions and Divestitures

A. Acquisition of MDLIVE

In April 2021, Cigna's Evernorth segment completed the 100% acquisition of MDLIVE, Inc. ("MDLIVE"), a 24/7 virtual care platform. The acquisition of MDLIVE will enable Evernorth to continue expanding access to virtual care and delivering a more affordable, convenient and connected care experience for consumers. The Company will complete the purchase price allocation in the second quarter of 2021.

B. Divestiture of U.S. Group Disability and Life business

On December 31, 2020, Cigna completed the sale of its U.S. Group Disability and Life business to New York Life Insurance Company for cash proceeds of $6.2 billion. The Company recognized a gain of $4.2 billion pre-tax ($3.2 billion after-tax), which includes recognition of previously unrealized capital gains on investments sold.

C. Integration and Transaction-related Costs

In the first three months of 2021, the Company incurred costs related to the acquisition of MDLIVE, the terminated merger with Anthem, Inc. (“Anthem”), the sale of the U.S. Group Disability and Life business and other transactions. In the first three months of 2020, the Company incurred costs related to the acquisition and integration of Express Scripts Holding Company ("Express Scripts"), the terminated merger with Anthem, the sale of the U.S. Group Disability and Life insurance business and other transactions. These costs were $29 million pre-tax ($22 million after-tax) for the three months ended March 31, 2021, compared with $97 million pre-tax ($74 million after-tax) for the three months ended March 31, 2020, and consisted primarily of certain projects related to the Company’s systems, products and services, fees for legal, advisory and other professional services and certain employment-related costs.

Note 5 – Earnings Per Share (“EPS”)

Basic and diluted earnings per share were computed as follows:

	Three Months Ended					
	March 31, 2021			March 31, 2020		
(Shares in thousands, dollars in millions, except per share amounts)	**Basic**	**Effect of Dilution**	**Diluted**	**Basic**	**Effect of Dilution**	**Diluted**
Shareholders’ net income	**$ 1,161**		**$ 1,161**	$ 1,181		$ 1,181
Shares:						
Weighted average	**348,248**		**348,248**	370,440		370,440
Common stock equivalents		**3,728**	**3,728**		4,199	4,199
Total shares	**348,248**	**3,728**	**351,976**	370,440	4,199	374,639
EPS	**$ 3.33**	**$ (0.03)**	**$ 3.30**	$ 3.19	$ (0.04)	$ 3.15

The following outstanding employee stock options were not included in the computation of diluted earnings per share because their effect was anti-dilutive.

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Anti-dilutive options	**1.5**	4.1

The Company held approximately 48.7 million shares of common stock in treasury at March 31, 2021, 35.5 million shares as of December 31, 2020 and 18.8 million shares as of March 31, 2020.

Note 6 – Debt

The outstanding amounts of debt and finance leases were as follows:

(In millions)	March 31, 2021	December 31, 2020
Short-term debt		
$78 million, 6.37% Notes due 6/2021	**78**	78
$1,000 million, Floating Rate Notes due 9/2021	**—**	999
$1,250 million, 3.4% Notes due 9/2021	**—**	1,249
$181 million, 3.9% Notes due 2/2022	**181**	—
$120 million, 4% Notes due 2/2022	**120**	—
Commercial paper	**5**	1,030
Other, including finance leases	**20**	18
Total short-term debt	**$ 404**	$ 3,374
Long-term debt		
$277 million, 4% Notes due 2022	**—**	276
$973 million, 3.9% Notes due 2022	**—**	972
$500 million, 3.05% Notes due 2022	**491**	490
$17 million, 8.3% Notes due 2023	**17**	17
$63 million, 7.65% Notes due 2023	**63**	63
$700 million, Floating Rate Notes due 2023	**698**	698
$1,000 million, 3% Notes due 2023	**978**	975
$1,187 million, 3.75% Notes due 2023	**1,184**	2,181
$500 million, 0.613% Notes due 2024	**498**	—
$1,000 million, 3.5% Notes due 2024	**979**	977
$900 million, 3.25% Notes due 2025	**896**	896
$2,200 million, 4.125% Notes due 2025	**2,191**	2,191
$1,500 million, 4.5% Notes due 2026	**1,504**	1,505
$800 million, 1.25% Notes due 2026	**796**	—
$1,500 million, 3.4% Notes due 2027	**1,413**	1,410
$259 million, 7.875% Debentures due 2027	**259**	259
$600 million, 3.05% Notes due 2027	**595**	595
$3,800 million, 4.375% Notes due 2028	**3,781**	3,780
$1,500 million, 2.4% Notes due 2030	**1,490**	1,489
$1,500 million, 2.375% Notes due 2031	**1,489**	—
$45 million, 8.3% Step Down Notes due 2033	**45**	45
$190 million, 6.15% Notes due 2036	**190**	190
$2,200 million, 4.8% Notes due 2038	**2,180**	2,180
$750 million, 3.2% Notes due 2040	**742**	742
$121 million, 5.875% Notes due 2041	**119**	119
$448 million, 6.125% Notes due 2041	**490**	490
$317 million, 5.375% Notes due 2042	**315**	315
$1,500 million, 4.8% Notes due 2046	**1,465**	1,465
$1,000 million, 3.875% Notes due 2047	**988**	988
$3,000 million, 4.9% Notes due 2048	**2,966**	2,966
$1,250 million, 3.4% Notes due 2050	**1,235**	1,235
$1,500 million , 3.4% Notes due 2051	**1,476**	—
Other, including finance leases	**35**	36
Total long-term debt	**$ 31,568**	$ 29,545

Debt Issuance and Redemption. In order to decrease future interest expense, mitigate future refinancing risk and raise proceeds for general corporate purposes, the Company entered into the following transactions during the three months ended March 31, 2021:

- Debt issuance: On March 3, 2021, the Company issued $4.3 billion of new senior notes. The proceeds of this issuance were mainly used to redeem outstanding debt securities. The remaining proceeds are available for general corporate purposes. Interest on this debt is paid semi-annually.

Principal	Maturity Date	Interest Rate	Net Proceeds
$500 million	March 15, 2024	0.613%	$499 million
$800 million	March 15, 2026	1.250%	$797 million
$1,500 million	March 15, 2031	2.375%	$1,492 million
$1,500 million	March 15, 2051	3.400%	$1,479 million

- Debt redemption: In the first quarter of 2021, the Company completed the redemption of a total of $4.2 billion in aggregate principal amount of certain of its outstanding debt securities. The Company recorded a pre-tax loss of $131 million ($101 million after-tax), consisting primarily of premium payments. An additional $301 million of outstanding debt securities due February 2022 were redeemed on April 2, 2021. The effect of a pre-tax loss from this April redemption is not expected to be material to results of operations for the second quarter of 2021.

Revolving Credit Agreements. Our revolving credit agreements provide us with the ability to borrow amounts for general corporate purposes, including for the purpose of providing liquidity support if necessary under our commercial paper program discussed below. For the first quarter of 2021, Cigna had a $3.25 billion revolving credit and letter of credit agreement maturing in April 2023 that was diversified among 23 banks. Under the facility $3.25 billion was available for general corporate purposes and up to $500 million was available for issuance of letters of credit. The facility included options to extend the termination date for additional one-year periods and increase the facility by $500 million, subject to the consent of the banks. Additionally, for the first quarter of 2021, Cigna had a $1.0 billion 364-day revolving credit agreement maturing in October 2021 that was diversified among 23 banks. Under this agreement, Cigna could borrow up to $1.0 billion for general corporate purposes. The agreement included the option to “term out” any revolving loans that were outstanding at maturity by converting them into a term loan maturing on the one-year anniversary of conversion. The revolving credit agreements contained customary covenants and restrictions, including a financial covenant that Cigna’s leverage ratio may not exceed 60%. As of March 31, 2021, there were no outstanding balances under these revolving credit agreements.

In April 2021, Cigna entered into a $3.0 billion five-year revolving credit and letter of credit agreement that matures in April 2026 and a $1.0 billion three-year revolving credit agreement that matures in April 2024, which are diversified among 23 banks and replace the five-year revolving credit and letter of credit agreement that was scheduled to mature in April 2023. Under the current agreements, Cigna can borrow up to $3.0 billion and $1.0 billion, respectively, for general corporate purposes, with up to $500 million available under the five-year facility for issuance of letters of credit. The revolving credit agreements also include an option to extend the termination date for an additional one-year period, subject to consent of the banks.

Additionally, in April 2021, Cigna entered into a $1.0 billion 364-day revolving credit agreement that will mature in April 2022 and is diversified among 23 banks. This agreement replaces the $1.0 billion 364-day revolving credit agreement that was scheduled to expire in October 2021. Pursuant to this revolving credit agreement, Cigna can borrow up to $1.0 billion for general corporate purposes. The agreement includes the option to “term out” any revolving loans that are outstanding at maturity by converting them into a term loan maturing on the one-year anniversary of conversion.

Each of the five-year facility, the three-year facility and the 364-day facility include an option to increase commitments in an aggregate amount of up to $1.5 billion across all three facilities. Each of the three facilities also contain customary covenants and restrictions including a financial covenant that the Company’s leverage ratio may not exceed 60%, subject to certain exceptions upon the consummation of an acquisition.

Commercial Paper. Under our commercial paper program we may issue short-term, unsecured commercial paper notes privately placed on a discount basis through certain broker dealers at any time not to exceed $4.25 billion. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The net proceeds of issuances have been and are expected to be used for general corporate purposes.

The Company was in compliance with its debt covenants as of March 31, 2021.

Note 7 – Insurance and Contractholder Liabilities

A. Account Balances – Insurance and Contractholder Liabilities

The Company's insurance and contractholder liabilities were comprised of the following:

	March 31, 2021			December 31, 2020			March 31, 2020
(In millions)	Current	Non-current	Total	Current	Non-current	Total	Total
Contractholder deposit funds	**$ 355**	**$ 6,806**	**$ 7,161**	$ 350	$ 6,823	$ 7,173	$ 7,699
Future policy benefits	**361**	**8,945**	**9,306**	327	9,317	9,644	9,651
Unearned premiums	**561**	**389**	**950**	485	394	879	840
Unpaid claims and claim expenses							
U.S. Medical	**3,528**	**21**	**3,549**	3,166	18	3,184	3,000
Other segments	**938**	**263**	**1,201**	980	292	1,272	6,119
Total							27,309
Insurance and contractholder liabilities classified as liabilities of business held for sale (1)							(6,441)
Total insurance and contractholder liabilities	**$ 5,743**	**$ 16,424**	**$ 22,167**	$ 5,308	$ 16,844	$ 22,152	$ 20,868

(1) Amounts classified as Liabilities of business held for sale primarily include $5.1 billion of unpaid claims, $726 million of contractholder deposit funds and $640 million of future policy benefits as of March 31, 2020.

Insurance and contractholder liabilities expected to be paid within one year are classified as current.

B. Unpaid Claims and Claim Expenses – U.S. Medical

This liability reflects estimates of the ultimate cost of claims that have been incurred but not reported, including expected development on reported claims, those that have been reported but not yet paid (reported claims in process) and other medical care expenses and services payable that are primarily comprised of accruals for incentives and other amounts payable to health care professionals and facilities.

The total of incurred but not reported liabilities plus expected development on reported claims, including reported claims in process, was $3.3 billion at March 31, 2021 and $2.7 billion at March 31, 2020.

Activity, net of intercompany transactions, in the unpaid claims liability for the U.S. Medical segment for the three months ended March 31 was as follows:

	Three Months Ended	
(In millions)	March 31, 2021	March 31, 2020
Beginning balance	**$ 3,184**	$ 2,892
Less: Reinsurance and other amounts recoverable	**224**	303
Beginning balance, net	**2,960**	2,589
Incurred costs related to:		
Current year	**7,285**	6,661
Prior years	**(185)**	(152)
Total incurred	**7,100**	6,509
Paid costs related to:		
Current year	**4,423**	4,271
Prior years	**2,317**	2,027
Total paid	**6,740**	6,298
Ending balance, net	**3,320**	2,800
Add: Reinsurance and other amounts recoverable	**229**	200
Ending balance	**$ 3,549**	$ 3,000

Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims of certain business for which the Company administers the plan benefits without any right of offset. See Note 8 for additional information on reinsurance.

Variances in incurred costs related to prior years' unpaid claims and claim expenses that resulted from the differences between actual experience and the Company's key assumptions for the three months ended March 31 were as follows:

	Three Months Ended			
(Dollars in millions)	March 31, 2021		March 31, 2020	
	$	%(1)	$	%(2)
Actual completion factors	**$ 68**	**0.2 %**	$ 63	0.3 %
Medical cost trend	**117**	**0.5**	89	0.3
Total favorable variance	**$ 185**	**0.7 %**	$ 152	0.6 %

(1) Percentage of current year incurred costs as reported for the year ended December 31, 2020.
(2) Percentage of current year incurred costs as reported for the year ended December 31, 2019.

Favorable prior year development in both years reflects lower than expected utilization of medical services.

C. Unpaid Claims and Claim Expenses – International Markets and Other Operations

Liability balance details. The liability details for unpaid claims and claim expenses are as follows:

(In millions)	March 31, 2021	March 31, 2020
Other Operations		
Group Disability and Life	**$ —**	$ 5,084
Other Operations	**281**	209
Total Other Operations	**281**	5,293
International Markets	**920**	826
Unpaid claims and claim expenses Other Operations and International Markets	**$ 1,201**	$ 6,119

Activity in the Company's liabilities for unpaid claims and claim expenses for International Markets and, prior to the sale, Group Disability and Life, is presented in the following table. Liabilities associated with Other Operations are excluded because they pertain to obligations for long-duration insurance contracts or, if short-duration, the liabilities have been fully reinsured.

	Three Months Ended	
(In millions)	March 31, 2021	March 31, 2020 (1)
Beginning balance	**$ 963**	$ 5,816
Less: Reinsurance	**59**	184
Beginning balance, net	**904**	5,632
Incurred claims related to:		
Current year	**724**	1,473
Prior years:		
Interest accretion	**—**	42
All other incurred	**(48)**	46
Total incurred	**676**	1,561
Paid claims related to:		
Current year	**326**	490
Prior years	**372**	946
Total paid	**698**	1,436
Foreign currency	**(20)**	(25)
Ending balance, net	**862**	5,732
Add: Reinsurance	**58**	178
Ending balance	**$ 920**	$ 5,910

(1) Includes unpaid claims amounts classified as Liabilities of business held for sale.

Reinsurance in the table above reflects amounts due from reinsurers related to unpaid claims liabilities. The Company's insurance subsidiaries enter into agreements with other companies primarily to limit losses from large exposures and to permit recovery of a portion of incurred losses. See Note 8 for additional information on reinsurance.

Following the sale of the Company's Group Disability and Life business (see Note 4 for further information), the liability for unpaid claims and claim expenses relates to products sold in the International Markets segment. Prior to the sale, the majority of the liability related to disability claims with long tailed payouts. See Note 9C to the Consolidated Financial Statements included in our 2020 Form 10-K for additional discussion of these disability reserves that are now sold.

Note 8 – Reinsurance

The Company's insurance subsidiaries enter into agreements with other insurance companies to assume and cede reinsurance. Reinsurance is ceded primarily in acquisition and disposition transactions when the underwriting company is not being acquired. Reinsurance is also used to limit losses from large exposures and to permit recovery of a portion of direct or assumed losses. Reinsurance does not relieve the originating insurer of liability. Therefore, reinsured liabilities must continue to be reported along with the related reinsurance recoverables. The Company regularly evaluates the financial condition of its reinsurers and monitors concentrations of its credit risk.

A. Reinsurance Recoverables

The majority of the Company's reinsurance recoverables resulted from acquisition and disposition transactions in which the underwriting company was not acquired. Included in the table below are $216 million of current reinsurance recoverables that are reported in Other current assets as of March 31, 2021; as of December 31, 2020 there was $217 million of current reinsurance recoverables reported in Other current assets. The Company's reinsurance recoverables as of March 31, 2021 are presented in the following table by range of external credit rating and collateral level.

(Dollars in millions)	Fair value of collateral contractually required to meet or exceed carrying value of recoverable	Collateral provisions exist that may mitigate risk of credit loss[3]	No collateral	Total
Ongoing Operations				
Upper-medium grade and higher [1]	$ —	$ —	$ 173	$ 173
Lower-medium grade [2]	—	—	63	63
Not rated	92	—	34	126
Total recoverables related to ongoing operations	92	—	270	362
Acquisition, disposition or runoff activities				
Upper-medium grade and higher [1]				
Lincoln National Life and Lincoln Life & Annuity of New York	—	3,022	—	3,022
Berkshire	301	399	—	700
Prudential Retirement Insurance and Annuity	607	—	—	607
Life Insurance Company of North America	—	449	—	449
Other	230	17	18	265
Not rated	—	13	4	17
Total recoverables related to acquisition, disposition or runoff activities	1,138	3,900	22	5,060
Total	$ 1,230	$ 3,900	$ 292	$ 5,422
Allowance for uncollectible reinsurance				(31)
Total reinsurance recoverables				$ 5,391

(1) Includes A- equivalent and higher current ratings certified by a nationally recognized statistical rating organization ("NRSRO")
(2) Includes BBB- to BBB+ equivalent current credit ratings certified by an NRSRO
(3) Includes collateral provisions requiring the reinsurer to fully collateralize its obligation if its external credit rating is downgraded to a specified level

Collateral levels are defined internally based on the fair value of the collateral relative to the carrying amount of the reinsurance recoverable, the frequency at which collateral is required to be replenished and the potential for volatility in the collateral's fair value.

The Company bears the risk of loss if its reinsurers and retrocessionaires do not meet or are unable to meet their reinsurance obligations to the Company. The Company reviews its reinsurance arrangements and establishes reserves against the recoverables, as further described above.

B. Effects of Reinsurance

In the Company's Consolidated Statements of Income, premiums were reported net of amounts ceded to reinsurers and medical costs and other benefit expenses were reported net of reinsurance recoveries in the following amounts:

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Total ceded premiums	**$ 149**	$ 128
Total reinsurance recoveries	**$ 148**	$ 178

C. Effective Exit of GMDB and GMIB Business

The Company entered into an agreement with Berkshire to effectively exit the GMDB and GMIB business via a reinsurance transaction in 2013. Berkshire reinsured 100% of the Company's future claim payments in this business, net of other reinsurance arrangements existing at that time. The reinsurance agreement is subject to an overall limit with approximately $3.2 billion remaining at March 31, 2021.

GMDB is accounted for as assumed and ceded reinsurance and GMIB assets and liabilities are reported as derivatives at fair value as discussed below. GMIB assets are reported in Other current assets and Other assets, and GMIB liabilities are reported in Accrued expenses and other liabilities and Other non-current liabilities. Assumptions used in fair value measurement these assets and liabilities are discussed in Note 10 of the Company's 2020 Form 10-K.

GMDB

The GMDB exposure arises under annuities written by ceding companies that guarantee the benefit received at death. The Company's exposure arises when the guaranteed minimum death benefit exceeds the fair value of the related mutual fund investments at the time of a contractholder's death.

The following table presents the account value, net amount at risk and the number of contractholders for guarantees assumed by the Company in the event of death. The net amount at risk is the amount that the Company would have to pay if all contractholders died as of the specified date. The Company should be reimbursed in full for these payments unless the Berkshire reinsurance limit is exceeded.

(Dollars in millions, excludes impact of reinsurance ceded)	**March 31, 2021**	**December 31, 2020**
Account value	**$ 9,518**	$ 9,523
Net amount at risk	**$ 1,518**	$ 1,570
Number of contractholders (estimated)	**180,000**	185,000

GMIB

The Company reinsured contracts with issuers of GMIB products. The Company's exposure represents the excess of a contractually guaranteed amount over the level of variable annuity account values. Payment by the Company depends on the actual account value in the related underlying mutual funds and the level of interest rates when the contractholders elect to receive minimum income payments that can only occur within 30 days of a policy anniversary after the appropriate waiting period. The Company has purchased retrocessional coverage ("GMIB assets") for these contracts including retrocessional coverage from Berkshire.

GMIB liabilities totaling $595 million as of March 31, 2021 and $729 million as of December 31, 2020 are classified as Level 3 because fair value inputs are largely unobservable. There were three reinsurers covering 100% of the GMIB exposures as of March 31, 2021 and December 31, 2020 as follows:

(In millions)

Line of Business	**Reinsurer**	**March 31, 2021**	**December 31, 2020**	**Collateral and Other Terms at March 31, 2021**
GMIB	Berkshire	**$ 288**	$ 353	100% were secured by assets in a trust.
	Sun Life Assurance Company of Canada	**173**	215	
	Liberty Re (Bermuda) Ltd.	**155**	190	100% were secured by assets in a trust.
Total GMIB recoverables reported in Other current assets and Other assets		**$ 616**	$ 758	

All reinsurers are rated A- equivalent and higher by an NRSRO.

Amounts included in shareholders' net income for GMIB assets and liabilities were not material for the three months ended March 31, 2021 or March 31, 2020.

Note 9 – Investments

Cigna's investment portfolio consists of a broad range of investments including debt securities, equity securities, commercial mortgage loans, policy loans, other long-term investments, short-term investments and derivative financial instruments. The sections below provide more detail regarding our investment balances and realized investment gains and losses. See Note 10 for information about the valuation of the Company's investment portfolio. Further information about our accounting policies for investment assets can be found in Note 11 of the Company's 2020 Form 10-K.

The following table summarizes the Company's investments by category and current or long-term classification.

	March 31, 2021			December 31, 2020		
(In millions)	Current	Long-term	Total	Current	Long-term	Total
Debt securities	**$ 906**	**$ 16,743**	**$ 17,649**	$ 959	$ 17,172	$ 18,131
Equity securities	**—**	**550**	**550**	—	501	501
Commercial mortgage loans	**60**	**1,287**	**1,347**	13	1,406	1,419
Policy loans	**—**	**1,344**	**1,344**	—	1,351	1,351
Other long-term investments	**—**	**2,897**	**2,897**	—	2,832	2,832
Short-term investments	**511**	**—**	**511**	359	—	359
Total	**$ 1,477**	**$ 22,821**	**$ 24,298**	$ 1,331	$ 23,262	$ 24,593

A. Investment Portfolio

Debt Securities

The amortized cost and fair value by contractual maturity periods for debt securities were as follows at March 31, 2021:

(In millions)	Amortized Cost	Fair Value
Due in one year or less	**$ 930**	**$ 938**
Due after one year through five years	**5,394**	**5,635**
Due after five years through ten years	**5,769**	**6,110**
Due after ten years	**3,869**	**4,507**
Mortgage and other asset-backed securities	**461**	**459**
Total	**$ 16,423**	**$ 17,649**

Actual maturities of these securities could differ from their contractual maturities used in the table above because issuers may have the right to call or prepay obligations, with or without penalties.

Gross unrealized appreciation (depreciation) on debt securities by type of issuer is shown below.

(In millions)	Amortized Cost	Allowance for Credit Loss	Unrealized Appreciation	Unrealized Depreciation	Fair Value
March 31, 2021					
Federal government and agency	**$ 298**	**$ —**	**$ 99**	**$ (3)**	**$ 394**
State and local government	**149**	**—**	**14**	**(1)**	**162**
Foreign government	**2,206**	**—**	**237**	**(23)**	**2,420**
Corporate	**13,309**	**(24)**	**1,037**	**(108)**	**14,214**
Mortgage and other asset-backed	**461**	**(11)**	**20**	**(11)**	**459**
Total	**$ 16,423**	**$ (35)**	**$ 1,407**	**$ (146)**	**$ 17,649**
Investments supporting liabilities of the Company's run-off settlement annuity business (included in total above) (1)	**$ 2,355**	**$ (4)**	**$ 590**	**$ (18)**	**$ 2,923**
December 31, 2020					
Federal government and agency	$ 334	$ —	$ 122	$ —	$ 456
State and local government	150	—	17	—	167
Foreign government	2,201	—	318	(8)	2,511
Corporate	13,108	(19)	1,506	(33)	14,562
Mortgage and other asset-backed	427	(7)	27	(12)	435
Total	$ 16,220	$ (26)	$ 1,990	$ (53)	$ 18,131
Investments supporting liabilities of the Company's run-off settlement annuity business (included in total above) (1)	$ 2,282	$ (5)	$ 838	$ (3)	$ 3,112

(1) Net unrealized appreciation for these investments is excluded from accumulated other comprehensive income.

Review of declines in fair value. Management reviews impaired debt securities to determine whether a credit loss allowance is needed based on criteria that include:

- severity of decline;
- financial health and specific prospects of the issuer; and
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region.

The table below summarizes debt securities with a decline in fair value from amortized cost for which an allowance for credit losses has not been recorded, by investment grade and the length of time these securities have been in an unrealized loss position. These debt securities are primarily corporate securities with a decline in fair value that reflects an increase in market yields since purchase. See discussion of Realized Investment Gains and Losses below for further information on the credit loss expense recorded for the Company's investments.

	March 31, 2021				**December 31, 2020**			
(Dollars in millions)	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues	Fair Value	Amortized Cost	Unrealized Depreciation	Number of Issues
One year or less								
Investment grade	**$ 2,225**	**$ 2,333**	**$ (108)**	**815**	$ 1,026	$ 1,045	$ (19)	300
Below investment grade	**$ 463**	**$ 485**	**$ (22)**	**567**	$ 381	$ 405	$ (24)	232
More than one year								
Investment grade	**$ 66**	**$ 70**	**$ (4)**	**15**	$ 18	$ 18	$ —	6
Below investment grade	**$ 179**	**$ 191**	**$ (12)**	**51**	$ 90	$ 100	$ (10)	33
Total	**$ 2,933**	**$ 3,079**	**$ (146)**	**1,448**	$ 1,515	$ 1,568	$ (53)	571

The table below presents a roll-forward of the allowance for credit losses on debt securities for the three months ended March 31:

(In millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Beginning balance	$ 26	$ —
Additions for debt securities where no credit loss has previously been recognized	11	55
Reductions for securities sold during the period	—	—
Decrease for debt securities where credit losses have previously been recorded	(2)	—
Ending balance	$ 35	$ 55

Equity Securities

The following table provides the values of the Company's equity security investments as of March 31, 2021 and December 31, 2020. The amount of impairments or value changes resulting from observable price changes on equity securities still held was not material to the financial statements as of March 31, 2021 or December 31, 2020.

	March 31, 2021		December 31, 2020	
(In millions)	Cost	Carrying Value	Cost	Carrying Value
Equity securities with readily determinable fair values	$ 192	$ 211	$ 180	$ 202
Equity securities with no readily determinable fair value	$ 231	$ 298	$ 225	$ 255
Hybrid equity securities	$ 58	$ 41	$ 58	$ 44
Total	$ 481	$ 550	$ 463	$ 501

Commercial Mortgage Loans

Mortgage loans held by the Company are made exclusively to commercial borrowers and are diversified by property type, location and borrower. Loans are generally issued at fixed rates of interest and are secured by high quality, primarily completed and substantially leased operating properties. Commercial mortgage loans are classified as either current or long-term investments based on their contractual maturities.

Credit quality. The Company regularly evaluates and monitors credit risk, beginning with the initial underwriting of a mortgage loan and continuing throughout the investment holding period. Mortgage origination professionals employ an internal credit quality rating system designed to evaluate the relative risk of the transaction at origination that is then updated each year as part of the annual portfolio loan review. The Company evaluates and monitors credit quality on a consistent and ongoing basis.

Quality ratings are based on our evaluation of a number of key inputs related to the loan, including real estate market-related factors such as rental rates and vacancies, and property-specific inputs such as growth rate assumptions and lease rollover statistics. However, the two most significant contributors to the credit quality rating are the debt service coverage and loan-to-value ratios. The debt service coverage ratio measures the amount of property cash flow available to meet annual interest and principal payments on debt, with a ratio below 1.0 indicating that there is not enough cash flow to cover the required loan payments. The loan-to-value ratio, commonly expressed as a percentage, compares the amount of the loan to the fair value of the underlying property collateralizing the loan.

The following table summarizes the credit risk profile of the Company's commercial mortgage loan portfolio based on loan-to-value and debt service coverage ratios as of March 31, 2021 and December 31, 2020.

(Dollars in millions)	March 31, 2021			December 31, 2020		
Loan-to-Value Ratio	**Carrying Value**	**Average Debt Service Coverage Ratio**	**Average Loan-to-Value Ratio**	**Carrying Value**	**Average Debt Service Coverage Ratio**	**Average Loan-to-Value Ratio**
Below 60%	**$ 513**	**2.25**		$ 533	2.28	
60% to 79%	**699**	**2.11**		751	2.08	
80% to 100%	**141**	**1.33**		141	1.33	
Allowance for credit losses	**(6)**			(6)		
Total	**$ 1,347**	**2.08**	**61 %**	$ 1,419	2.08	61 %

The Company's annual in-depth review of its commercial mortgage loan investments is the primary mechanism for identifying emerging risks in the portfolio. The Company's investment professionals completed the annual in-depth review in the second quarter of 2020 that included an analysis of each underlying property's most recent annual financial statements, rent rolls, operating plans, budgets, a physical inspection of the property and other pertinent factors. Based on historical results, current leases, lease expirations and rental conditions in each market, the Company estimated the current year and future stabilized property income and fair value for each loan.

The Company re-evaluates a loan's credit quality between annual reviews if new property information is received or an event such as delinquency or a borrower's request for restructure causes management to believe that the Company's estimate of financial performance, fair value or the risk profile of the underlying property has been impacted.

All commercial mortgage loans in the Company's portfolio are current as of March 31, 2021 and December 31, 2020.

Other Long-Term Investments

Other long-term investments include investments in unconsolidated entities, including certain limited partnerships and limited liability companies holding real estate, securities or loans. These investments are carried at cost plus the Company's ownership percentage of reporting income or loss, based on the financial statements of the underlying investments that are generally reported at fair value. Income or loss from these investments is reported on a one quarter lag due to the timing of when financial information is received from the general partner or manager of the investments.

Other long-term investments also include investment real estate carried at depreciated cost less any impairment write-downs to fair value when cash flows indicate that the carrying value may not be recoverable. Additionally, statutory and other restricted deposits, healthcare related investment partnerships and foreign currency swaps carried at fair value are reported in the table below as Other. The following table provides the carrying value information for these investments.

	Carrying value as of	
(In millions)	**March 31, 2021**	**December 31, 2020**
Real estate investments	**$ 999**	$ 951
Securities partnerships	**1,712**	1,683
Other	**186**	198
Total	**$ 2,897**	$ 2,832

Short-Term Investments and Cash Equivalents

Short-term investments and cash equivalents included the following types of issuers. The decrease in Money market funds is primarily due to the deployment of proceeds received on December 31, 2020 from the U.S. Group Disability and Life business divestiture for Corporate purposes.

(In millions)	**March 31, 2021**	**December 31, 2020**
Corporate securities	**$ 2,953**	$ 2,669
Federal government securities	**$ 113**	$ 158
Foreign government securities	**$ 42**	$ 90
Money market funds	**$ 960**	$ 5,134

B. Derivative Financial Instruments

The Company uses derivative financial instruments to manage the characteristics of investment assets (such as duration, yield, currency and liquidity) to meet the varying demands of the related insurance and contract holder liabilities. The Company also uses derivative financial instruments to hedge the risk of changes in the net assets of certain of its foreign subsidiaries due to changes in foreign currency exchange rates. The Company has written and purchased GMIB reinsurance contracts in its run-off reinsurance business that are accounted for as freestanding derivatives as discussed in Note 8. Derivatives in the Company's separate accounts are excluded from the following discussion because associated gains and losses generally accrue directly to separate account policyholders.

Derivative instruments used by the Company typically include foreign currency swap contracts and foreign currency forward contracts. Foreign currency swap contracts periodically exchange cash flows between two currencies for principal and interest. Foreign currency forward contracts require the Company to purchase a foreign currency in exchange for the functional currency of its operating unit at a future date.

The Company manages the credit risk of these derivative instruments by diversifying its portfolio among approved dealers of high credit quality and through routine monitoring of credit risk exposures. Certain of the Company's over-the-counter derivative instruments require either the Company or the counterparty to post collateral or demand immediate payment depending on the amount of the net liability position of the derivative instrument and predefined financial strength or credit rating thresholds. These collateral posting requirements vary by counterparty. The Company may incur a loss if dealers failed to perform under derivative contracts, however collateral has been posted by dealers to cover substantially all of the net fair values owed at March 31, 2021 and December 31, 2020. The fair value of collateral posted by the Company was not significant as of March 31, 2021 or December 31, 2020.

The gross fair values of our derivative financial instruments are presented in Note 10. The following table summarizes the types and notional quantity of derivative instruments held by the Company. As of March 31, 2021 and December 31, 2020, the effects of these individual hedging strategies were not material to the Consolidated Financial Statements, including gains or losses reclassified from accumulated other comprehensive income into shareholders' net income, as well as amounts excluded from the assessment of hedge effectiveness.

(In millions)		**Notional Value as of**	
Purpose	**Type of Instrument**	**March 31, 2021**	**December 31, 2020**
Fair value hedge: To hedge the foreign exchange-related changes in fair values of certain foreign-denominated bonds. The notional value of these derivatives matches the amortized cost of the hedged bonds.	Foreign currency swap contracts	**$ 956**	$ 925
Net investment hedge: To reduce the risk of changes in net assets due to changes in foreign currency spot exchange rates for certain foreign subsidiaries that conduct their business principally in Euros, Korean Won and Taiwan Dollar. The notional value of hedging instruments matches the hedged amount of subsidiary net assets.	Foreign currency swap contracts	**$ 526**	$ 526
	Foreign currency forward contracts	**$ 706**	$ 636
Economic hedge: To hedge the foreign exchange-related changes in fair value of U.S. dollar-denominated investment assets to reflect the local currency for the Company's foreign subsidiary in South Korea. The notional value of hedging instruments generally aligns with the fair value of the hedged investments.	Foreign currency forward contracts	**$ 630**	$ 538

As there has been no material change in the types of derivative financial instruments the Company uses, refer to the Company's 2020 Form 10-K for a discussion of our accounting policy.

C. Realized Investment Gains and Losses

The following realized gains and losses on investments exclude amounts required to adjust future policy benefits for the run-off settlement annuity business (consistent with accounting for a premium deficiency), as well as realized gains and losses attributed to the Company's separate accounts because those gains and losses generally accrue directly to separate account policyholders.

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Net realized investment gains (losses), excluding credit loss expense and asset write-downs	**$ 10**	$ (24)
Credit loss (expense) on invested assets	**(9)**	(55)
Other investment asset write-downs	**—**	(9)
Net realized investment gains (losses), before income taxes	**$ 1**	$ (88)

Net realized investment gains, excluding credit loss expense and asset write-downs for the three months ended March 31, 2021 was primarily driven by mark-to-market gains on equity securities, partially offset by mark-to-market losses on derivatives. This activity for the three months ended March 31, 2020 was primarily driven by mark-to-market losses on equity securities and derivatives, partially offset by gains on sales of debt securities. Credit loss (expense) recoveries on invested assets reflect credit losses incurred on debt securities primarily relating to issuers in certain industries that have been impacted by the global COVID-19 pandemic. Realized gains and losses on equity securities still held at March 31, 2021 and 2020 were not material.

The following table presents sales information for available-for-sale debt securities. Gross gains on sales and gross losses on sales exclude amounts required to adjust future policy benefits for the run-off settlement annuity business.

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Proceeds from sales	**$ 377**	$ 743
Gross gains on sales	**$ 9**	$ 39
Gross losses on sales	**$ (3)**	$ (7)

Note 10 – Fair Value Measurements

The Company carries certain financial instruments at fair value in the financial statements including debt securities, certain equity securities, short-term investments and derivatives. Other financial instruments are measured at fair value only under certain conditions, such as when impaired or when there are observable price changes for equity securities with no readily determinable fair value.

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. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor.

The Company's financial assets and liabilities carried at fair value have been classified based upon a hierarchy defined by GAAP. 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 of input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant would use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

The Company is responsible for determining fair value and for assigning the appropriate level within the fair value hierarchy based on the significance of unobservable inputs. The Company reviews methodologies, processes and controls of third-party pricing services and compares prices on a test basis to those obtained from other external pricing sources or internal estimates. The Company performs ongoing analyses of both prices received from third-party pricing services and those developed internally to determine that they represent appropriate estimates of fair value. The controls executed by the Company include evaluating changes in prices and monitoring for potentially stale valuations. The Company also performs sample testing of sales values to confirm the accuracy of prior fair value estimates. The minimal exceptions identified during these processes indicate that adjustments to prices are infrequent and do not significantly impact valuations. An annual due-diligence review of the most significant pricing service is conducted to review their processes, methodologies and controls. This review includes a walk-through of inputs for a sample of securities held across various asset types to validate the documented pricing process.

A. Financial Assets and Financial Liabilities Carried at Fair Value

The following table provides information as of March 31, 2021 and December 31, 2020 about the Company's financial assets and liabilities carried at fair value. Separate account assets are also recorded at fair value on the Company's Consolidated Balance Sheets and are reported separately in the Separate Accounts section below as gains and losses related to these assets generally accrue directly to policyholders.

(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**		**Significant Other Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**		**Total**	
	As of March 31, 2021	**As of December 31, 2020**	**As of March 31, 2021**	**As of December 31, 2020**	**As of March 31, 2021**	**As of December 31, 2020**	**As of March 31, 2021**	**As of December 31, 2020**
Financial assets at fair value								
Debt securities								
Federal government and agency	**$ 164**	$ 207	**$ 230**	$ 249	**$ —**	$ —	**$ 394**	$ 456
State and local government	**—**	—	**162**	167	**—**	—	**162**	167
Foreign government	**—**	—	**2,407**	2,498	**13**	13	**2,420**	2,511
Corporate	**—**	—	**13,504**	13,878	**710**	684	**14,214**	14,562
Mortgage and other asset-backed	**—**	—	**310**	309	**149**	126	**459**	435
Total debt securities	**164**	207	**16,613**	17,101	**872**	823	**17,649**	18,131
Equity securities (1)	**56**	50	**165**	165	**31**	31	**252**	246
Short-term investments	**—**	—	**505**	325	**—**	—	**505**	325
Derivative assets (3)	**—**	—	**62**	72	**—**	—	**62**	72
Real estate funds priced at NAV as a practical expedient (2)							**146**	156
Financial liabilities at fair value								
Derivative liabilities	**$ —**	$ —	**$ 74**	$ 108	**$ —**	$ —	**$ 74**	$ 108

(1) Excludes certain equity securities that have no readily determinable fair value.

(2) As a practical expedient, certain real estate funds are carried at fair value based on the Company's ownership share of the equity of the investee (Net Asset Value ("NAV")) including changes in the fair value of its underlying investments. The Company has $46 million in unfunded commitments in these funds as of March 31, 2021.

(3) Derivative assets above include $6 million that are presented in the Short-term investments category that is disclosed in Note 9. See Note 9 for more information on our Derivative Financial Instruments.

Level 1 Financial Assets

Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets 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.

Assets in Level 1 include actively-traded U.S. government bonds and exchange-listed equity securities. A relatively small portion of the Company's investment assets are classified in this category given the narrow definition of Level 1 and the Company's investment asset strategy to maximize investment returns.

Level 2 Financial Assets and Financial Liabilities

Inputs for instruments classified in Level 2 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 market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant.

Debt and equity securities. Approximately 94% of the Company's investments in debt and equity securities are classified in Level 2 including most public and private corporate debt and hybrid equity securities, federal agency and municipal bonds, non-government mortgage-backed securities and preferred stocks. Third-party pricing services and internal methods often use recent trades of securities with similar features and characteristics because many debt securities do not trade daily. Pricing models are used to determine these prices when recent trades are not available. These models calculate fair values by discounting future cash flows at estimated market interest rates. Such market rates are derived by calculating the appropriate spreads over comparable U.S. Treasury securities based on the credit quality, industry and structure of the asset. Typical inputs and assumptions to pricing models include, but are not limited to, a combination of benchmark yields, reported trades, issuer spreads, liquidity, benchmark securities, bids, offers, reference data and industry and economic events. For mortgage-backed securities, inputs and assumptions may also include characteristics of the issuer, collateral attributes, prepayment speeds and credit rating.

Nearly all of these instruments are valued using recent trades or pricing models. Less than 1% of the fair value of investments classified in Level 2 represents foreign bonds that are valued using a single, unadjusted market-observable input derived by averaging multiple broker-dealer quotes, consistent with local market practice.

Short-term investments are carried at fair value that approximates cost. The Company compares market prices for these securities to recorded amounts on a regular basis to validate that current carrying amounts approximate exit prices. The short-term nature of the investments and corroboration of the reported amounts over the holding period support their classification in Level 2.

Derivative assets and liabilities classified in Level 2 represent over-the-counter instruments such as foreign currency forward and swap contracts. Fair values for these instruments are determined using market observable inputs including forward currency and interest rate curves and widely published market observable indices. Credit risk related to the counterparty and the Company is considered when estimating the fair values of these derivatives. However, the Company is largely protected by collateral arrangements with counterparties and determined that no adjustments for credit risk were required as of March 31, 2021 or December 31, 2020. The nature and use of these derivative financial instruments are described in Note 9.

Level 3 Financial Assets and Financial Liabilities

Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Company classifies certain newly-issued, privately-placed, complex or illiquid securities in Level 3. Approximately 5% of debt and equity securities are priced using significant unobservable inputs and classified in this category.

Fair values of mortgage and other asset-backed securities, as well as corporate and government debt securities, are primarily determined using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. Inputs and assumptions for pricing may also include characteristics of the issuer, collateral attributes and prepayment speeds for mortgage and other asset-backed securities. Recent trades in the subject security or similar securities are assessed when available, and the Company may also review published research in its evaluation, as well as the issuer's financial statements.

Quantitative Information about Unobservable Inputs

The following table summarizes the fair value and significant unobservable inputs used in pricing the following debt securities that were developed directly by the Company as of March 31, 2021 and December 31, 2020. The range and weighted average basis point ("bps") amounts for liquidity and credit spreads (adjustment to discount rates) reflect the Company's best estimates of the unobservable adjustments a market participant would make to calculate these fair values.

Corporate and government debt securities. The significant unobservable input used to value the following corporate and government debt securities is an adjustment for liquidity. This adjustment is needed to reflect current market conditions and issuer circumstances when there is limited trading activity for the security.

Mortgage and other asset-backed securities. The significant unobservable inputs used to value the following mortgage and other asset-backed securities are liquidity and weighting of credit spreads. An adjustment for liquidity is made as of the measurement date that considers current market conditions, issuer circumstances and complexity of the security structure when there is limited trading activity for the security. An adjustment to weight credit spreads is needed to value a more complex bond structure with multiple underlying collateral and no standard market valuation technique. The weighting of credit spreads is primarily based on the underlying collateral's characteristics and their proportional cash flows supporting the bond obligations.

	Fair Value as of			Unobservable Adjustment Range (Weighted Average by Quantity) as of	
(Fair value in millions)	**March 31, 2021**	**December 31, 2020**	**Unobservable input March 31, 2021**	**March 31, 2021**	**December 31, 2020**
Debt securities					
Corporate and government debt securities	**$ 722**	$ 696	**Liquidity**	**60 - 1560 (480) bps**	60 - 1370 (470) bps
Mortgage and other asset-backed securities	**149**	126	**Liquidity**	**60 - 380 (90) bps**	60 - 380 (80) bps
			Weighting of credit spreads	**250 - 660 (450) bps**	300 - 670 (480) bps
Securities not priced by the Company [(1)]	**1**	1			
Total Level 3 debt securities	**$ 872**	$ 823			

(1) The fair values for these securities use single, unadjusted non-binding broker quotes not developed directly by the Company.

Significant increases in liquidity or credit spreads would result in lower fair value measurements while decreases in these inputs would result in higher fair value measurements. The unobservable inputs are generally not interrelated and a change in the assumption used for one unobservable input is not accompanied by a change in the other unobservable input.

Changes in Level 3 Financial Assets and Financial Liabilities Carried at Fair Value

The following tables summarize the changes in financial assets and financial liabilities classified in Level 3 for the three months ended March 31, 2021 and 2020. Gains and losses reported in these tables may include net changes in fair value that are attributable to both observable and unobservable inputs.

	For the Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Debt and Equity Securities		
Beginning balance	**$ 854**	$ 555
Total gains (losses) included in shareholders' net income	**(10)**	(12)
Gains (losses) included in other comprehensive income	**(16)**	(71)
Gains (losses) required to adjust future policy benefits for settlement annuities [(1)]	**(8)**	(10)
Purchases, sales and settlements		
Purchases	**29**	62
Sales	**—**	(12)
Settlements	**(16)**	(2)
Total purchases, sales and settlements	**$ 13**	$ 48
Transfers into/(out of) Level 3		
Transfers into Level 3	**86**	348
Transfers out of Level 3	**(16)**	(92)
Total transfers into/(out of) Level 3	**$ 70**	$ 256
Ending balance	**$ 903**	$ 766
Total gains (losses) included in shareholders' net income attributable to instruments held at the reporting date	**$ (11)**	$ (18)
Change in unrealized gains or losses included in other comprehensive income for assets held at the end of the reporting period	**$ (16)**	$ (66)

(1) Amounts do not accrue to shareholders.

Total gains and losses included in Shareholders’ net income in the tables above are reflected in the Consolidated Statements of Income as Net realized investment gains (losses) and Net investment income.

Gains and losses included in Other comprehensive income in the tables above are reflected in Net unrealized appreciation (depreciation) on securities and derivatives in the Consolidated Statements of Comprehensive Income.

Transfers into or out of the Level 3 category occur when unobservable inputs, such as the Company’s best estimate of what a market participant would use to determine a current transaction price, become more or less significant to the fair value measurement. Market activity typically decreases during periods of economic uncertainty, and this decrease in activity reduces the availability of market observable data. As a result, the level of unobservable judgement that must be applied to the pricing of certain instruments increases, and is typically observed through the widening of liquidity and credit spreads. Transfers between Level 2 and Level 3 during 2021 and 2020 primarily reflected changes in liquidity and credit risk estimates for certain private placement issuers across several sectors. Transfers into and out of Level 3 were higher in 2020 due to significant fluctuations in liquidity and credit spreads experienced as a result of the uncertainty over the economic impacts related to COVID-19. See discussion under Quantitative Information about Unobservable Inputs above for more information.

Separate Accounts

The investment income and fair value gains and losses of separate account assets generally accrue directly to the contractholders and, together with their deposits and withdrawals, are excluded from the Company’s Consolidated Statements of Income and Cash Flows.

Fair values of separate account assets at March 31, 2021 and December 31, 2020 were as follows:

(In millions)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**		**Significant Other Observable Inputs (Level 2)**		**Significant Unobservable Inputs (Level 3)**		**Total**	
	March 31, 2021	**December 31, 2020**	**March 31, 2021**	**December 31, 2020**	**March 31, 2021**	**December 31, 2020**	**March 31, 2021**	**December 31, 2020**
Guaranteed separate accounts (See Note 15)	**$ 222**	$ 226	**$ 282**	$ 297	**$ —**	$ —	**$ 504**	$ 523
Non-guaranteed separate accounts [(1)]	**2,071**	1,925	**5,417**	5,600	**378**	355	**7,866**	7,880
Subtotal	**$ 2,293**	$ 2,151	**$ 5,699**	$ 5,897	**$ 378**	$ 355	**8,370**	8,403
Non-guaranteed separate accounts priced at NAV as a practical expedient [(1)]							**718**	683
Separate account assets per Consolidated Balance Sheets							**$ 9,088**	$ 9,086

(1) Non-guaranteed separate accounts included $4.2 billion as of March 31, 2021 and December 31, 2020 in assets supporting the Company’s pension plans, including $0.3 billion classified in Level 3 as of March 31, 2021 and December 31, 2020.

Separate account assets classified as Level 1 primarily include exchange-listed equity securities. Level 2 assets primarily include:

- corporate and structured bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates as described above; and
- actively-traded institutional and retail mutual fund investments.

Separate account assets classified in Level 3 primarily support Cigna’s pension plans and include certain newly-issued, privately-placed, complex or illiquid securities that are priced using methods discussed above, as well as commercial mortgage loans. Activity, including transfers into and out of Level 3, was not material for the three months ended March 31, 2021 or 2020.

Separate account investments in securities partnerships, real estate and hedge funds are generally valued based on the separate account's ownership share of the equity of the investee (NAV as a practical expedient) including changes in the fair values of its underlying investments. Substantially all of these assets support the Cigna Pension Plans. The following table provides additional information on these investments.

	Fair Value as of				
(In millions)	March 31, 2021	December 31, 2020	Unfunded Commitment as of March 31, 2021	Redemption Frequency (if currently eligible)	Redemption Notice Period
Securities partnerships	**$ 463**	$ 463	**$ 274**	Not applicable	Not applicable
Real estate funds	**251**	215	**45**	Quarterly	30 - 90 days
Hedge funds	**4**	5	**—**	Up to annually, varying by fund	30 - 90 days
Total	**$ 718**	$ 683	**$ 319**		

As of March 31, 2021, the Company does not have plans to sell any of these assets at less than fair value. These investments are structured to satisfy longer-term investment objectives. Securities partnerships are contractually non-redeemable, and the underlying investment assets are expected to be liquidated by the fund managers within ten years after inception.

B. Assets and Liabilities Measured at Fair Value under Certain Conditions

Some financial assets and liabilities are not carried at fair value each reporting period, but may be measured using fair value only under certain conditions such as when investments become impaired, including investment real estate and commercial mortgage loans and certain equity securities with no readily determinable fair value. For the three months ended March 31, 2021 and 2020, there were no such impairments. Equity securities with no readily determinable fair value are also measured at fair value when there are observable price changes from orderly transactions with the same issuer. Realized investment gains and losses from these observable price changes for the three months ended March 31, 2021 and March 31, 2020 were not material. Carrying values represented less than 1% of total investments as of both March 31, 2021 and March 31, 2020.

C. Fair Value Disclosures for Financial Instruments Not Carried at Fair Value

The following table includes the Company's financial instruments not recorded at fair value that are subject to fair value disclosure requirements at March 31, 2021 and December 31, 2020. In addition to universal life products and finance leases, financial instruments that are carried in the Company's Consolidated Financial Statements at amounts that approximate fair value are excluded from the following table.

		March 31, 2021		December 31, 2020	
(In millions)	Classification in Fair Value Hierarchy	Fair Value	Carrying Value	Fair Value	Carrying Value
Commercial mortgage loans	Level 3	**$ 1,373**	**$ 1,347**	$ 1,456	$ 1,419
Long-term debt, including current maturities, excluding finance leases	Level 2	**$ 35,649**	**$ 31,912**	$ 37,676	$ 31,835

Note 11 – Variable Interest Entities

We perform ongoing qualitative analyses of our involvement with variable interest entities to determine if consolidation is required. The Company determined it was not a primary beneficiary in any material variable interest entity as of March 31, 2021 or December 31, 2020. The Company's involvement with variable interest entities for which it is not the primary beneficiary has not changed materially from December 31, 2020. For details of our accounting policy for variable interest entities and the composition of variable interest entities with which the Company is involved, refer to Note 13 in our 2020 Form 10-K. The Company has not provided, and does not intend to provide, financial support to any of these variable interest entities in excess of its maximum exposure.

Note 12 – Accumulated Other Comprehensive Income (Loss) ("AOCI")

AOCI includes unrealized appreciation on securities and derivatives (excluding appreciation on investments supporting future policy benefit liabilities of the run-off settlement annuity business) (See Note 9), foreign currency translation and the net postretirement benefits liability adjustment. AOCI includes the Company's share from unconsolidated entities reported on the equity method. Generally, tax effects in AOCI are established at the currently enacted tax rate and reclassified to net income in the same period that the related pre-tax AOCI reclassifications are recognized. Changes in the components of AOCI were as follows:

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Securities and Derivatives		
Beginning balance	**$ 900**	$ 975
Appreciation (depreciation) on securities and derivatives	**(342)**	(580)
Tax (expense) benefit	**65**	127
Net appreciation (depreciation) on securities and derivatives	**(277)**	(453)
Reclassification adjustment for (gains) losses included in shareholders' net income (net realized investment (gains) losses)	**5**	32
Reclassification adjustment for tax expense (benefit) included in shareholders' net income	**(1)**	(7)
Net (gains) losses reclassified from AOCI to net income	**4**	25
Other comprehensive (loss), net of tax	**(273)**	(428)
Ending balance	**$ 627**	$ 547
Translation of foreign currencies		
Beginning balance	**$ (15)**	$ (275)
Translation of foreign currencies	**(114)**	(160)
Tax (expense) benefit	**(5)**	(15)
Net translation of foreign currencies	**(119)**	(175)
Less: Net translation gain (loss) on foreign currencies attributable to noncontrolling interests	**(4)**	(4)
Shareholders' other comprehensive (loss), net of tax	**(115)**	(171)
Ending balance	**$ (130)**	$ (446)
Postretirement benefits liability		
Beginning balance	**$ (1,746)**	$ (1,641)
Reclassification adjustment for amortization of net prior actuarial losses and prior service costs (interest expense and other)	**20**	18
Reclassification adjustment for settlement (interest expense and other)	**3**	—
Reclassification adjustment for tax expense (benefit) included in shareholders' net income	**(5)**	(5)
Net adjustments reclassified from AOCI to net income	**18**	13
Other comprehensive income, net of tax	**18**	13
Ending balance	**$ (1,728)**	$ (1,628)

Note 13 – Leases

Operating and finance lease Right-of-Use ("ROU") assets and lease liabilities were as follows:

(In millions)	March 31, 2021	December 31, 2020
Operating leases:		
Operating lease ROU assets	**$ 534**	$ 552
Accrued expenses and other liabilities	**$ 152**	$ 152
Other non-current liabilities	**480**	491
Total operating lease liabilities	**$ 632**	$ 643
Finance leases:		
Property and equipment, gross	**$ 103**	$ 98
Accumulated depreciation	**(51)**	(46)
Property and equipment, net	**$ 52**	$ 52
Short-term debt	**$ 20**	$ 18
Long-term debt	**35**	36
Total finance lease liabilities	**$ 55**	$ 54

Note 14 – Income Taxes

Income Tax Expense

The 22.6% effective tax rate for the three months ended March 31, 2021 was higher than the 14.9% rate for the same period in 2020. This increase is primarily attributable to the absence of favorable items which reduced the rate in 2020, including settlements of uncertain tax positions and the remeasurement of deferred state income taxes; partially offset by the elimination of the nondeductible health insurer tax in 2021.

Note 15 – Contingencies and Other Matters

The Company, through its subsidiaries, is contingently liable for various guarantees provided in the ordinary course of business.

A. Financial Guarantees: Retiree and Life Insurance Benefits

The Company guarantees that separate account assets will be sufficient to pay certain life insurance or retiree benefits. For the majority of these benefits, the sponsoring employers are primarily responsible for ensuring that assets are sufficient to pay these benefits and are required to maintain assets that exceed a certain percentage of benefit obligations. If employers fail to do so, the Company or an affiliate of Prudential Retirement Insurance and Annuity, the buyer of the retirement benefits business (see Note 8 for further information) has the right to redirect the management of the related assets to provide for benefit payments. As of March 31, 2021, employers maintained assets that generally exceeded the benefit obligations under these arrangements of approximately $445 million. An additional liability is established if management believes that the Company will be required to make payments under the guarantees; there were no additional liabilities required for these guarantees, net of reinsurance, as of March 31, 2021. Separate account assets supporting these guarantees are classified in Levels 1 and 2 of the GAAP fair value hierarchy.

The Company does not expect that these financial guarantees will have a material effect on the Company's consolidated results of operations, liquidity or financial condition.

B. Certain Other Guarantees

The Company had indemnification obligations as of March 31, 2021 in connection with acquisition and disposition transactions. These indemnification obligations are triggered by the breach of representations or covenants provided by the Company, such as representations for the presentation of financial statements, filing of tax returns, compliance with law or identification of outstanding litigation. These obligations are typically subject to various time limitations, defined by the contract or by operation of law, such as statutes of limitation. In some cases, the maximum potential amount due is subject to contractual limitations based on a percentage of the transaction purchase price, while in other cases limitations are not specified or applicable. The Company does not believe that it is possible to determine the maximum potential amount due under these obligations because not all amounts due under these indemnification obligations are subject to limitation. There were no liabilities for these indemnification obligations as of March 31, 2021.

C. Guaranty Fund Assessments

The Company operates in a regulatory environment that may require its participation in assessments under state insurance guaranty association laws. The Company's exposure to assessments for certain obligations of insolvent insurance companies to policyholders and claimants is based on its share of business written in the relevant jurisdictions.

There were no material effects for existing or new guaranty fund assessments for the three months ended March 31, 2021.

D. Legal and Regulatory Matters

The Company is routinely involved in numerous claims, lawsuits, regulatory inquiries and audits, government investigations, including under the federal False Claims Act and state false claims acts initiated by a government investigating body or by a qui tam relator's filing of a complaint under court seal, and other legal matters arising, for the most part, in the ordinary course of managing a global health service business. Additionally, the Company has received and is cooperating with subpoenas or similar processes from various governmental agencies requesting information, all arising in the normal course of its business. Disputed tax matters arising from audits by the Internal Revenue Service or other state and foreign jurisdictions, including those resulting in litigation, are accounted for under GAAP guidance for uncertain tax positions.

Pending litigation and legal or regulatory matters that the Company has identified with a reasonably possible material loss and certain other material litigation matters are described below. For those matters that the Company has identified with a reasonably possible material loss, the Company provides disclosure in the aggregate of accruals and range of loss, or a statement that such information cannot be estimated. The Company's accruals for the matters discussed below under "Litigation Matters" and "Regulatory Matters" are not material. Due to numerous uncertain factors presented in these cases, it is not possible to estimate an aggregate range of loss (if any) for these matters at this time. In light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed the amounts currently accrued by the Company. An adverse outcome in one or more of these matters could be material to the Company's results of operations, financial condition or liquidity for any particular period. The outcomes of lawsuits are inherently unpredictable and we may be unsuccessful in these ongoing litigation matters or any future claims or litigation.

Litigation Matters

Risk Corridors and CSR Litigation with the Federal Government. As a result of a Supreme Court decision in April 2020, the Company filed suit in early May 2020 against the United States in the U.S. Court of Federal Claims seeking to recover two types of payments the Federal Government owes Cigna under the risk corridors and cost-sharing reduction ("CSR") programs of The Patient Protection and Affordable Care Act. In aggregate, the complaint sought to recover more than $315 million: $120 million in risk corridors payments and more than $195 million in CSR payments. We received $120 million in payments in September 2020, which resolved our risk corridors claim. Our claim seeking recovery for CSR payments is stayed until either the Federal Circuit's judgments in the CSR appeals become final and non-appealable or the Supreme Court resolves any petition for writ of certiorari.

Cigna Litigation with Anthem. In February 2017, the Company filed suit against Anthem, Inc. in the Delaware Court of Chancery (the "Chancery Court") seeking, among other relief, payment of the $1.85 billion reverse termination fee under the parties' 2015 merger agreement and damages. Anthem countersued, alleging its own claims for damages. A trial was held during the first quarter of 2019. In August 2020, the Chancery Court issued an opinion finding that, although Cigna breached its contractual obligation to use reasonable best efforts to support the Anthem/Cigna merger, its actions did not cause the merger to fail. The Court denied claims by both parties for damages and further denied Cigna's claim for the reverse termination fee. The Company filed a Notice of Appeal with the Delaware Supreme Court on October 30, 2020, and sought reversal of the portion of the Chancery Court's decision denying Cigna the reverse termination fee. Briefing on the appeal was completed on January 29, 2021 and oral arguments were held on April 14, 2021. On May 3, 2021, the Delaware Supreme Court issued an order affirming the decision of the Chancery Court.

Express Scripts Litigation with Anthem. In March 2016, Anthem filed a lawsuit in the United States District Court for the Southern District of New York alleging various breach of contract claims against Express Scripts relating to the parties' rights and obligations under the periodic pricing review section of the pharmacy benefit management agreement between the parties including allegations that Express Scripts failed to negotiate new pricing concessions in good faith, as well as various alleged service issues. Anthem also requested that the court enter declaratory judgment that Express Scripts is required to provide Anthem competitive benchmark pricing, that Anthem can terminate the agreement and that Express Scripts is required to provide Anthem with post-termination services at competitive benchmark pricing for one year following any termination by Anthem. Anthem claims it is entitled to $13 billion in additional pricing concessions over the remaining term of the agreement, as well as $1.8 billion for one year following any contract termination by Anthem and $150 million damages for service issues (“Anthem’s Allegations”). On April 19, 2016, in response to Anthem’s complaint, Express Scripts filed its answer denying Anthem’s Allegations in their entirety and asserting affirmative defenses and counterclaims against Anthem. The court subsequently granted Anthem’s motion to dismiss two of six counts of Express Scripts’ amended counterclaims. The current scheduling order runs through the completion of summary judgment briefing in October 2021. There is no tentative trial date.

Regulatory Matters

Civil Investigative Demand. The U.S. Department of Justice (“DOJ”) is conducting industry-wide investigations of Medicare Advantage organizations’ risk adjustment practices under Medicare Parts C and D including medical chart reviews and health exams. For certain Medicare Advantage organizations, those investigations have resulted in litigation. The Company has received information requests (civil investigative demands) from the DOJ (U.S. Attorney’s Offices for the Eastern District of Pennsylvania and the Southern District of New York ("SDNY")). We are continuing to cooperate with the DOJ and have responded and continue to respond to its requests. Additionally, in relation to the SDNY’s investigation, a *qui tam* action that was filed by a relator in the United States District Court for the Southern District of New York in 2017 was unsealed on August 6, 2020. The action asserts claims related to risk adjustment practices arising from certain health exams conducted as part of Cigna’s Medicare Advantage business. The DOJ has not intervened in the case at this time.

Note 16 – Segment Information

See Note 1 for a description of our segments. A description of our basis for reporting segment operating results is outlined below. Intersegment revenues primarily reflect pharmacy related transactions between the Evernorth and U.S. Medical segments.

The Company uses "pre-tax adjusted income from operations" and "adjusted revenues" as its principal financial measures of segment operating performance because management believes they best reflect the underlying results of business operations and permit analysis of trends in underlying revenue, expenses and profitability. We define pre-tax adjusted income from operations as income before taxes excluding net realized investment gains and losses, amortization of acquired intangible assets and special items. Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting are also excluded. Income or expense amounts excluded from adjusted income from operations because they are not indicative of underlying performance or the responsibility of operating segment management include:

- Realized investment gains (losses) including changes in market values of certain financial instruments between balance sheet dates, as well as gains and losses associated with invested asset sales. Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting are also excluded.
- Amortization of acquired intangible assets because these relate to costs incurred for acquisitions.
- Special items, if any, that management believes are not representative of the underlying results of operations due to the nature or size of these matters.

The Company does not report total assets by segment because this is not a metric used to allocate resources or evaluate segment performance.

The term adjusted revenues is defined as total revenues excluding the following adjustments: special items and Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business.

The following tables present the special items recorded by the Company for the three months ended March 31, 2021 and 2020.

	Three Months Ended			
(In millions)	**March 31, 2021**		**March 31, 2020**	
Description of Special Item Charges (Benefits) and Financial Statement Line Item(s)	**After-tax**	**Before-tax**	**After-tax**	**Before-tax**
Debt extinguishment costs	**$ 101**	**$ 131**	$ 140	$ 185
Integration and transaction-related costs (Selling, general and administrative expenses)	**22**	**29**	74	97
Charges associated with litigation matters (Selling, general and administrative expenses)	**(21)**	**(27)**	19	25
Charge for organizational efficiency plan (Selling, general and administrative expenses)	—	—	24	31
Contractual adjustment for a former client (Pharmacy revenues)	—	—	(66)	(87)
Total impact from special items	**$ 102**	**$ 133**	$ 191	$ 251

Summarized segment financial information was as follows:

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Three months ended March 31, 2021						
Revenues from external customers	**$ 29,419**	**$ 9,602**	**$ 1,499**	**$ 60**	**$ —**	**$ 40,580**
Inter-segment revenues	**1,198**	**510**	**—**	**—**	**(1,708)**	
Net investment income	**3**	**250**	**59**	**79**	**—**	**391**
Total revenues	**$ 30,620**	**$ 10,362**	**$ 1,558**	**$ 139**	**$ (1,708)**	**$ 40,971**
Net realized investment results from certain equity method investments	**—**	**—**	**14**	**—**	**—**	**14**
Adjusted revenues	**$ 30,620**	**$ 10,362**	**$ 1,572**	**$ 139**	**$ (1,708)**	**$ 40,985**
Income (loss) before taxes	**$ 749**	**$ 1,009**	**$ 226**	**$ 16**	**$ (487)**	**$ 1,513**
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	**(5)**	**—**	**(7)**	**—**	**—**	**(12)**
Net realized investment (gains) losses [(1)]	**2**	**(30)**	**33**	**8**	**—**	**13**
Amortization of acquired intangible assets	**477**	**8**	**10**	**—**	**—**	**495**
Special items						
Debt extinguishment costs	**—**	**—**	**—**	**—**	**131**	**131**
Integration and transaction-related costs	**—**	**—**	**—**	**—**	**29**	**29**
Charges associated with litigation matters	**—**	**—**	**—**	**—**	**(27)**	**(27)**
Pre-tax adjusted income (loss) from operations	**$ 1,223**	**$ 987**	**$ 262**	**$ 24**	**$ (354)**	**$ 2,142**

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Three months ended March 31, 2020						
Revenues from external customers	$ 26,256	$ 9,268	$ 1,420	$ 1,172	$ —	$ 38,116
Inter-segment revenues	974	466	—	5	(1,445)	
Net investment income	25	126	40	162	—	353
Total revenues	$ 27,255	$ 9,860	$ 1,460	$ 1,339	$ (1,445)	$ 38,469
Net realized investment results from certain equity method investments	—	—	10	—	—	10
Special item related to contractual adjustment for a former client	(87)	—	—	—	—	(87)
Adjusted revenues	$ 27,168	$ 9,860	$ 1,470	$ 1,339	$ (1,445)	$ 38,392
Income (loss) before taxes	$ 694	$ 1,140	$ 234	$ 72	$ (743)	$ 1,397
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	(4)	—	(5)	—	—	(9)
Net realized investment (gains) losses [(1)]	—	48	46	4	—	98
Amortization of acquired intangible assets	479	11	7	1	—	498
Special items						
Debt extinguishment costs	—	—	—	—	185	185
Integration and transaction-related costs	—	—	—	—	97	97
Charges associated with litigation matters	—	—	—	—	25	25
Charge for organizational efficiency plan	—	—	—	—	31	31
Contractual adjustment for a former client	(87)	—	—	—	—	(87)
Pre-tax adjusted income (loss) from operations	$ 1,082	$ 1,199	$ 282	$ 77	$ (405)	$ 2,235

(1) Includes the Company's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting.

Revenue from external customers includes pharmacy revenues, premiums and fees and other revenues. The following table presents these revenues by product, premium and service type for the three months ended March 31:

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Products (Pharmacy revenues) (ASC 606)		
Network revenues	**$ 14,179**	$ 12,142
Home delivery and specialty revenues	**12,458**	11,714
Other	**1,388**	1,242
Total pharmacy revenues	**$ 28,025**	$ 25,098
Insurance premiums (ASC 944)		
U.S. Medical premiums		
U.S. Commercial		
Health Insurance	**3,523**	3,461
Stop loss	**1,194**	1,161
Other	**310**	289
U.S. Government		
Medicare Advantage	**2,092**	1,881
Medicare Part D	**450**	462
Other	**1,138**	1,066
Total U.S. Medical premiums	**8,707**	8,320
International Markets premiums	**1,450**	1,375
Domestic disability, life and accident premiums	**—**	1,116
Other premiums	**57**	29
Total premiums	**10,214**	10,840
Services (ASC 606)		
Fees	**2,327**	2,154
Other external revenues	**14**	24
Total services	**2,341**	2,178
Total revenues from external customers	**$ 40,580**	$ 38,116

Evernorth may also provide certain financial and performance guarantees, including a minimum level of discounts a client may receive, generic utilization rates and various service levels. Clients may be entitled to receive compensation if we fail to meet the guarantees. Actual performance is compared to the contractual guarantee for each measure throughout the period and the Company defers revenue for any estimated payouts within Accrued expenses and other liabilities (current). These estimates are adjusted at the end of the guarantee period. Historically, adjustments to original estimates have not been material. The performance guarantee liability was $1.3 billion as of March 31, 2021 and $1.1 billion as of December 31, 2020.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist you in better understanding and evaluating our financial condition as of March 31, 2021 compared with December 31, 2020 and our results of operations for the three months ended March 31, 2021, compared with the same period last year and is intended to help you understand the ongoing trends in our business. We encourage you to read this MD&A in conjunction with our Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2020 ("Form 10-K"). In particular, we encourage you to refer to the "Risk Factors" contained in Part I, Item 1A of the 2020 Form 10-K.

Unless otherwise indicated, financial information in this MD&A is presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See Note 2 to the Consolidated Financial Statements in our 2020 Form 10-K for additional information regarding the Company's significant accounting policies and see Note 2 to the Consolidated Financial Statements in this Form 10-Q for updates to those policies resulting from adopting new accounting guidance, if any. The preparation of interim consolidated financial statements necessarily relies heavily on estimates. This and certain other factors call for caution in estimating full-year results based on interim results of operations. In some of our financial tables in this MD&A, we present either percentage changes or "N/M" when those changes are so large as to become not meaningful. Changes in percentages are expressed in basis points ("bps").

In this MD&A, our consolidated measures "adjusted income from operations," earnings per share on that same basis and "adjusted revenues" are not determined in accordance with GAAP and should not be viewed as substitutes for the most directly comparable GAAP measures of "shareholders' net income," "earnings per share" and "total revenues." We also use pre-tax adjusted income from operations and adjusted revenues to measure the results of our segments.

We use adjusted income from operations as our principal financial measure of operating performance because management believes it best reflects the underlying results of our business operations and permits analysis of trends in underlying revenue, expenses and profitability. We define adjusted income from operations as shareholders' net income (or income before taxes for the segment metric) excluding net realized investment gains and losses, amortization of acquired intangible assets and special items. Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting are also excluded. Income or expense amounts excluded from adjusted income from operations because they are not indicative of underlying performance or the responsibility of operating segment management include:

- *Realized investment gains (losses) including changes in market values of certain financial instruments between balance sheet dates, as well as gains and losses associated with invested asset sales. Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting are also excluded.*
- *Amortization of acquired intangible assets because these relate to costs incurred for acquisitions.*
- *Special items, if any, that management believes are not representative of the underlying results of operations due to the nature or size of these matters.*

The term adjusted revenues is defined as total revenues excluding the following adjustments: special items and Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of *accounting. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business.*

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Cigna's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning future financial or operating performance, including our ability to deliver affordable, personalized and innovative solutions for our customers and clients, including in light of the challenges presented by the COVID-19 pandemic; future growth, business strategy, strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas; financing or capital deployment plans and amounts available for future deployment; our prospects for growth in the coming years; strategic transactions; and other statements regarding Cigna's future beliefs, expectations, plans, intentions, liquidity, cash flows, financial condition or performance. You may identify forward-looking statements by the use of words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our strategic and operational initiatives; our ability to adapt to changes in an evolving and rapidly changing industry; the scale, scope and duration of the COVID-19 pandemic and its potential impact on our business, operating results, cash flows or financial condition, our ability to compete effectively, differentiate our products and services from those of our competitors and maintain or increase market share; price competition and other pressures that could compress our margins or result in premiums that are insufficient to cover the cost of services delivered to our customers; the potential for actual claims to exceed our estimates related to expected medical claims; our ability to develop and maintain satisfactory relationships with physicians, hospitals, other health service providers and with producers and consultants; our ability to maintain relationships with one or more key pharmaceutical manufacturers or if payments made or discounts provided decline; changes in the pharmacy provider marketplace or pharmacy networks; changes in drug pricing or industry pricing benchmarks; political, legal, operational, regulatory, economic and other risks that could affect our multinational operations; risks related to strategic transactions and realization of the expected benefits of such transactions, as well as integration difficulties or underperformance relative to expectations; dependence on success of relationships with third parties; risk of significant disruption within our operations or among key suppliers or third parties; our ability to invest in and properly maintain our information technology and other business systems; our ability to prevent or contain effects of a potential cyberattack or other privacy or data security incident; potential liability in connection with managing medical practices and operating pharmacies, onsite clinics and other types of medical facilities; the substantial level of government regulation over our business and the potential effects of new laws or regulations or changes in existing laws or regulations; uncertainties surrounding participation in government-sponsored programs such as Medicare; the outcome of litigation, regulatory audits, investigations; compliance with applicable privacy, security and data laws, regulations and standards; potential failure of our prevention, detection and control systems; unfavorable economic and market conditions, stock market or interest rate declines, risks related to a downgrade in financial strength ratings of our insurance subsidiaries; the impact of our significant indebtedness and the potential for further indebtedness in the future; unfavorable industry, economic or political conditions; credit risk related to our reinsurers; as well as more specific risks and uncertainties discussed in Part I, Item 1A – Risk Factors of our 2020 Form 10-K, Part II, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2020 Form 10-K, this MD&A and as described from time to time in our future reports filed with the Securities and Exchange Commission (the "SEC").

You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Cigna undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

EXECUTIVE OVERVIEW

Cigna Corporation, together with its subsidiaries (either individually or collectively referred to as "Cigna," the "Company," "we," "our" or "us") is a global health services organization with a mission of helping those we serve improve their health, well-being and peace of mind by making health care simple, affordable and predictable. We offer a differentiated set of pharmacy, medical, dental and related products and services offered by our subsidiaries. For further information on our business and strategy, see Item 1, "Business" in our 2020 Form 10-K.

Financial Highlights

See Note 1 to the Consolidated Financial Statements for a description of our segments. The commentary provided below describes our results for the three months ended March 31, 2021 compared with the same period in 2020.

Summarized below are certain key measures of our performance by segment for the three months ended March 31, 2021 and 2020:

Financial highlights by segment

	Three Months Ended March 31,		
(Dollars in millions, except per share amounts)	**2021**	**2020**	**% Change**
Revenues			
Adjusted revenues by segment			
Evernorth	**$ 30,620**	$ 27,168	13 %
U.S. Medical	**10,362**	9,860	5
International Markets	**1,572**	1,470	7
Other Operations	**139**	1,339	(90)
Corporate, net of eliminations	**(1,708)**	(1,445)	(18)
Adjusted revenues	**40,985**	38,392	7
Net realized investment results from certain equity method investments	**(14)**	(10)	(40)
Special items	**—**	87	N/M
Total revenues	**$ 40,971**	$ 38,469	7 %
Shareholders' net income	**$ 1,161**	$ 1,181	(2) %
Adjusted income from operations	**$ 1,664**	$ 1,758	(5) %
Earnings per share (diluted)			
Shareholders' net income	**$ 3.30**	$ 3.15	5 %
Adjusted income from operations	**$ 4.73**	$ 4.69	1 %
Pre-tax adjusted income (loss) from operations by segment			
Evernorth	**$ 1,223**	$ 1,082	13 %
U.S. Medical	**987**	1,199	(18)
International Markets	**262**	282	(7)
Other Operations	**24**	77	(69)
Corporate, net of eliminations	**(354)**	(405)	13
Consolidated pre-tax adjusted income from operations	**2,142**	2,235	(4)
Income attributable to noncontrolling interests	**12**	9	33
Net realized investment (gains) losses [(1)]	**(13)**	(98)	87
Amortization of acquired intangible assets	**(495)**	(498)	1
Special items	**(133)**	(251)	47
Income before income taxes	**$ 1,513**	$ 1,397	8 %

(1) Includes the Company's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting.

For further analysis and explanation of each segment's results, see the "Segment Reporting" section of this MD&A.

Consolidated Results of Operations (GAAP basis)

(Dollars in millions)	Three Months Ended March 31, 2021	2020	% Change
Pharmacy revenues	$ **28,025**	$ 25,098	12 %
Premiums	**10,214**	10,840	(6)
Fees and other revenues	**2,341**	2,178	7
Net investment income	**391**	353	11
Total revenues	**40,971**	38,469	7
Pharmacy and other service costs	**27,235**	24,190	13
Medical costs and other benefit expenses	**8,005**	8,322	(4)
Selling, general and administrative expenses	**3,279**	3,398	(4)
Amortization of acquired intangible assets	**495**	498	(1)
Total benefits and expenses	**39,014**	36,408	7
Income from operations	**1,957**	2,061	(5)
Interest expense and other	**(314)**	(391)	20
Debt extinguishment costs	**(131)**	(185)	29
Net realized investment gains (losses)	**1**	(88)	N/M
Income before income taxes	**1,513**	1,397	8
Total income taxes	**342**	208	64
Net income	**1,171**	1,189	(2)
Less: Net income attributable to noncontrolling interests	**10**	8	25
Shareholders' net income	$ **1,161**	$ 1,181	(2) %
Consolidated effective tax rate	**22.6 %**	14.9 %	770 bps
Medical customers (in thousands)			
U.S. Medical	**15,016**	15,552	(3) %
International Markets	**1,687**	1,666	1
Total	**16,703**	17,218	(3) %

Reconciliation of Shareholders’ Net Income (GAAP) to Adjusted Income from Operations

	Dollars in Millions		Diluted Earnings Per Share	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2021	2020	2021	2020
Shareholders’ net income	$ **1,161**	$ 1,181	$ **3.30**	$ 3.15
After-tax adjustments required to reconcile to adjusted income from operations				
Net realized investment (gains) losses [(1)]	**13**	77	**0.04**	0.21
Amortization of acquired intangible assets	**388**	309	**1.10**	0.82
Special items				
Debt extinguishment costs	**101**	140	**0.29**	0.38
Integration and transaction-related costs	**22**	74	**0.06**	0.20
Charges associated with litigation matters	**(21)**	19	**(0.06)**	0.05
Charge for organizational efficiency plan	—	24	—	0.06
Contractual adjustment for a former client	—	(66)	—	(0.18)
Total special items	**102**	191	**0.29**	0.51
Adjusted income from operations	$ **1,664**	$ 1,758	$ **4.73**	$ 4.69

(1) Includes the Company's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting.

COVID-19 Update

From the onset of the COVID-19 pandemic in 2020, we have focused on delivering peace of mind for the people and businesses we serve, and our employees and their families. We've taken actions to improve affordability and predictability for our customers and patients, and make health care easier. Cigna led the way since the start of COVID-19 by working to remove cost as a barrier, expanding access to care and helping employers keep their workforce safe and supported. Most recently, we are conducting direct outreach to customers most at-risk for COVID-19 in key communities to provide them with resources about how to get vaccinated and help them make appointments. We also began providing transportation to and from vaccine sites at no extra cost to customers in the majority of our Medicare Advantage plans.

We continue to execute our business continuity plans over our operations such as optimizing purchasing volume across the pharmaceutical supply chain in order to mitigate risk associated with prescription drug supply and continuing to support our workforce by enabling remote work where appropriate, and implementing enhanced safety protocols and programs that support the health and mental well-being of our employees. Recent employee programs include expanding benefits-eligible employee use of emergency time off for COVID-19 related reasons as well as offering an incentive award to those enrolled in our medical plan for being fully vaccinated against COVID-19.

The COVID-19 pandemic has pervasively impacted the economy, financial markets and the global health care delivery systems. For the first quarter of 2021, COVID-19 impacts are most notable in our U.S. Medical segment with net unfavorable COVID-19 related impacts as compared with the same period in 2020. COVID-19 related impacts include direct costs of COVID-19 testing, treatment and vaccines, lower risk adjusted revenues in our Medicare Advantage business, decreased contributions from our specialty products and disenrollment resulting from the economic impacts of the pandemic, partially offset by deferral of care by our customers. As compared with the three months ended December 31, 2020 the net unfavorable impacts of COVID-19 decreased reflecting lower direct costs, partially offset by less deferral of care.

Segment results are discussed further in the "Segment Reporting" section of this MD&A and discussion of the impact of COVID-19 on our investment portfolio and related considerations regarding our investment outlook can be found in Note 9 to the Consolidated Financial Statements and in the "Investment Assets" discussion of this MD&A.

It is difficult to predict the pace, duration and extent of the COVID-19 pandemic and its related impacts including the vaccination efforts on our results for the remainder of 2021 and beyond. We believe that such results may continue to be impacted by, among other things, vaccine related costs, higher medical costs to treat those affected by the virus, lower customer volumes due to elevated unemployment, lower risk adjustment revenue due to disrupted care impeding appropriate documentation of customer risk profiles in our Medicare Advantage business, the return of costs for those who had previously deferred care, the potential for future deferral of care, or volatility in the economic markets.

Cigna has taken actions to enhance our liquidity that, combined with our other sources of liquidity described in the "Liquidity and Capital Resources Outlook" section below, and our current projections for operating cash flows, we believe are sufficient to support our operations and meet our obligations.

The situation surrounding COVID-19 remains fluid, and we are actively managing our response and assessing impacts to our financial position and operating results, as well as adverse developments in our business.

For further information regarding the potential impact of COVID-19 on the Company, see "Risk Factors" contained in Part I, Item 1A of our 2020 Form 10-K.

Commentary: Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

The commentary presented below, and in the segment discussions that follow, compare results for the three months ended March 31, 2021 with results for the three months ended March 31, 2020.

Shareholders' net income decreased slightly, driven by lower adjusted income from operations (see below) and the absence of certain favorable tax benefits reported in the first quarter of 2020. These unfavorable effects were mostly offset by lower realized investment losses and lower net special item charges. On a per-share basis, the increase in shareholders' net income reflects the favorable effect of our share repurchase program.

Adjusted income from operations decreased, primarily resulting from lower earnings in the U.S. Medical segment reflecting the unfavorable impact of COVID-related items and the loss of earnings due to the sale of the Group Disability and Life business. These unfavorable effects were partially offset by increased earnings in the Evernorth segment primarily attributable to continued business growth and lower interest costs in Corporate resulting from debt repayment and restructuring actions in 2020 and 2021. On a per-share basis, the increase in adjusted income from operations reflects the favorable effect of our share repurchase program.

Medical customers declined, reflecting a lower customer base in our Middle Markets and National Accounts market segments including disenrollment resulting from the economic impacts of the COVID-19 pandemic; partially offset by growth in our Select and our Medicare market segments.

Pharmacy revenues increased reflecting strong business and customer growth. See the "Evernorth segment" section of this MD&A for further discussion of pharmacy revenues.

Premiums were lower, primarily reflecting the effect of the sale of the Group Disability and Life business, partially offset by an increase in U.S. Medical premiums resulting from increased customers in our insured businesses and rate increases in line with underlying medical trend.

Fees and other revenues increased, primarily driven by growth in Evernorth's pharmacy and health services businesses.

Net investment income increased due to strong returns on our partnership investments, partially offset by lower average assets due to the sale of the Group Disability and Life business. See the "Investment Assets" section of this MD&A for further discussion.

Pharmacy and other service costs increased, reflecting strong business and customer growth.

Medical costs and other benefit expenses decreased, reflecting the effect of the sale of the Group Disability and Life business, partially offset by an increase in U.S. Medical driven by an increase in medical trend, including COVID-related impacts, and increased customers in our insured businesses.

Selling, general and administrative expenses decreased, primarily resulting from the sale of the Group Disability and Life business, lower special item charges and the elimination of the health insurance industry tax.

Interest expense and other decreased due to debt restructuring and repayment actions during 2020 and the first quarter of 2021.

Debt extinguishment costs were lower because the debt repaid in the first quarter of 2021 had lower interest rates than the debt repaid in the first quarter of 2020.

Realized investment results improved significantly, primarily reflecting favorable market value adjustments on equity securities in 2021 compared with unfavorable equity markets in the first quarter of 2020.

The ***effective tax rate*** was higher, driven by recognition of certain incremental federal and state tax benefits in the first quarter of 2020, partially offset by the repeal of the nondeductible health insurance industry tax in 2021.

Developments

Purchase of MDLIVE

In April 2021, Cigna's Evernorth segment completed the 100% acquisition of MDLIVE, Inc., a 24/7 virtual care platform. The acquisition of MDLIVE will enable Evernorth to continue expanding access to virtual care and delivering a more affordable, convenient and connected care experience for consumers.

Sale of Group Disability and Life Business

As discussed in Note 4 to the Consolidated Financial Statements, Cigna sold its U.S. Group Disability and Life business to New York Life Insurance Company for $6.2 billion on December 31, 2020. The "Liquidity and Capital Resources" section of this MD&A provides discussion of the use of proceeds from this divestiture.

Regulation

The "Business - Regulation" section of our 2020 Form 10-K provides a detailed description of The Patient Protection and Affordable Care Act ("ACA") provisions and other legislative initiatives that impact our businesses, including regulations issued by the Centers for Medicare & Medicaid Services ("CMS") and the Departments of the Treasury and Health and Human Services. Our businesses continue to operate in a dynamic environment, and the laws and regulations applicable to us, including the ACA, continue to be subject to legislative, regulatory and judicial challenges.

Corporate Tax Reform. Recent proposals related to corporate tax reform propose raising corporate tax rates, among other things. While it is unclear whether recent proposals will be enacted in their current form, the proposed increases in corporate tax rates could have a material impact on our future results of operations and, in the period of enactment, both our results of operations and financial condition. We will continue to monitor developments.

Medicare Part D Rebate Rule. As disclosed in the "Regulation" section of our 2020 Form 10-K, the United States Department of Health and Human Services ("HHS") and the HHS Office of Inspector General ("HHS-OIG") released a final rule in November 2020 which eliminated an anti-kickback regulatory safe harbor protection for price concessions, including rebates, that are offered by pharmaceutical manufacturers to plan sponsors or pharmacy benefit managers under the Medicare Part D program and created two new safe harbors. The two new safe harbors cover (i) price reductions by manufacturers to plan sponsors under Medicare Part D and Medicaid managed care organizations that are reflected at the time of dispense and (ii) fixed-fee service arrangements between manufacturers and pharmacy benefit managers. HHS previously delayed the elimination of the aforementioned regulatory safe harbor to January 1, 2023 and, in March 2021, HHS-OIG delayed the effective date for the two new safe harbors to January 1, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We maintain liquidity at two levels: the subsidiary level and the parent company level.

Cash requirements at the subsidiary level generally consist of:

- pharmacy, medical costs and other benefit payments;
- expense requirements, primarily for employee compensation and benefits, information technology and facilities costs;
- income taxes; and
- debt service.

Our subsidiaries normally meet their liquidity requirements by:

- maintaining appropriate levels of cash, cash equivalents and short-term investments;
- using cash flows from operating activities;
- matching investment durations to those estimated for the related insurance and contractholder liabilities;
- selling investments; and
- borrowing from affiliates, subject to applicable regulatory limits.

Cash requirements at the parent company level generally consist of:

- debt service;
- payment of declared dividends to shareholders;
- lending to subsidiaries as needed; and
- pension plan funding.

The parent company normally meets its liquidity requirements by:

- maintaining appropriate levels of cash and various types of marketable investments;
- collecting dividends from its subsidiaries;
- using proceeds from issuing debt and common stock; and
- borrowing from its subsidiaries, subject to applicable regulatory limits.

Dividends from our insurance, Health Maintenance Organization ("HMO") and foreign subsidiaries are subject to regulatory restrictions. See Note 19 to the Consolidated Financial Statements in our 2020 Form 10-K for additional information regarding these restrictions. Most of Evernorth's subsidiaries are not subject to regulatory restrictions regarding dividends and therefore provide significant financial flexibility to Cigna.

Cash flows for the three months ended March 31 were as follows:

	Three Months Ended March 31,	
(In millions)	**2021**	**2020**
Operating activities	**$ 1,093**	$ 1,887
Investing activities	**$ (717)**	$ (269)
Financing activities	**$ (4,051)**	$ (1,818)

The following discussion explains variances in the various categories of cash flows for the three months ended March 31, 2021 compared with the same period in 2020.

Operating activities

Cash flows from operating activities consist principally of cash receipts and disbursements for pharmacy revenues and costs, premiums, fees, investment income, taxes, benefit costs and other expenses.

Cash flows from operating activities decreased, primarily driven by increases in accounts receivable due to the timing of certain client billing cycles and business growth as well as the timing of payable and accrued liability payments including inventory purchases.

Investing and Financing activities

Cash flows used in investing activities increased, primarily due to lower investment sale activity.

Cash used in financing activities increased, primarily due to higher stock repurchases and an increase in dividends paid. Cash used in financing activities also includes proceeds from debt issuances offset by the repayment of long-term debt and commercial paper borrowings.

We maintain a share repurchase program authorized by our Board of Directors. Under this program, we may repurchase shares from time to time, depending on market conditions and alternate uses of capital. The timing and actual number of shares repurchased will depend on a variety of factors including price, general business and market conditions and alternate uses of capital. The share repurchase program may be effected through open market purchases in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including through Rule 10b5-1 trading plans or privately negotiated transactions. The program may be suspended or discontinued at any time.

For the three months ended March 31, 2021, we repurchased 12.7 million shares for approximately $2.8 billion. From April 1, 2021 through May 6, 2021, we repurchased 1.7 million shares for approximately $400 million. Share repurchase authority was $2.7 billion as of May 6, 2021.

Capital Resources

Our capital resources consist primarily of cash, cash equivalents and investments maintained at regulated subsidiaries required to underwrite insurance risks, cash flows from operating activities, our commercial paper program, credit agreements and the issuance of long-term debt and equity securities. Our businesses generate significant cash flow from operations, some of which is subject to regulatory restrictions relative to the amount and timing of dividend payments to parent. Dividends from U.S. regulated subsidiaries were $625 million and $507 million for the three months ended March 31, 2021 and 2020, respectively. Nonregulated subsidiaries also generate significant cash flow from operating activities, which is typically available immediately to parent for general corporate purposes.

We prioritize our use of capital resources to:

- Invest in capital expenditures, primarily related to technology to support innovative solutions for our customers, provide the capital necessary to maintain or improve the financial strength ratings of subsidiaries and to repay debt and fund pension obligations if necessary;
- pay dividends to shareholders;
- consider acquisitions that are strategically and economically advantageous; and
- return capital to shareholders through share repurchases.

At March 31, 2021, our debt-to-capitalization ratio was 39.9%, an increase from 39.5% at December 31, 2020.

Group Disability and Life Sale. In connection with the sale of this business that closed on December 31, 2020, we deployed approximately $3.0 billion to debt repayment by: (i) repaying in full our $1.4 billion 364-Day Term Loan Credit Agreement entered into on April 1, 2020, on December 31, 2020; (ii) redeeming in full the $1.0 billion aggregate principal amount of Cigna's Senior Floating Rate Notes due 2021 on January 15, 2021 at a redemption price calculated in accordance with the terms and conditions of the indenture governing the Notes; and (iii) repaying certain balances of our outstanding commercial paper in January 2021.

Commercial Paper Program. Cigna also maintains a commercial paper program and may issue short-term, unsecured commercial paper notes privately placed on a discount basis through certain broker dealers at any time not to exceed $4.25 billion. The net proceeds of issuances have been and are expected to be used for general corporate purposes. The commercial paper program had an immaterial outstanding balance as of March 31, 2021.

Revolving Credit Agreements. Our revolving credit agreements provide us with the ability to borrow amounts for general corporate purposes, including for the purpose of providing liquidity support if necessary under our commercial paper program discussed above. In April 2021, we entered into new revolving credit agreements which replaced our prior revolving credit agreements, increased the total credit available to us and enhanced our liquidity position as discussed in more detail below.

In 2018, Cigna entered into a $3.25 billion five-year revolving credit agreement. In 2019, Cigna entered into an additional $1.0 billion 364-day revolving credit agreement that expired in October 2020, at which point we replaced the 364-day revolving credit agreement with a new $1.0 billion 364-day revolving credit agreement which was scheduled to expire in October 2021. As of March 31, 2021, there were no outstanding balances under either of the revolving credit agreements.

In April 2021, Cigna entered into a $3.0 billion five-year revolving credit and letter of credit agreement and a $1.0 billion three-year revolving credit agreement, which replaced the revolving credit agreement that was entered into in 2018. Also in April 2021, Cigna entered into an additional $1.0 billion 364-day revolving credit agreement that will expire in April 2022, and replaced the existing 364-day revolving credit agreement which was scheduled to expire in October 2021.

See Note 6 to the Consolidated Financial Statements for further information on our credit agreements and commercial paper program.

Our capital management strategy to support the liquidity and regulatory capital requirements of our foreign operations and certain international growth initiatives is to retain overseas a significant portion of the earnings generated by our foreign operations. This strategy does not materially limit our ability to meet our liquidity and capital needs in the United States.

Liquidity and Capital Resources Outlook

We maintain sufficient liquidity to meet our cash needs through our cash and cash equivalents balances, cash flows from operations, commercial paper program, credit agreements and the issuance of long-term debt and equity securities. As of March 31, 2021, we had $4.25 billion of undrawn committed capacity under our revolving credit agreements (these amounts are available for general corporate purposes, including providing liquidity support for our commercial paper program), $4.25 billion of remaining capacity under our commercial paper program and $7.0 billion in cash and short-term investments, approximately $2.5 billion of which was held by the parent company or certain nonregulated subsidiaries. We actively monitor our debt obligations and engage in issuance or redemption activities as needed in accordance with our capital management strategy. A description of our outstanding debt can be found in Note 6 to the Consolidated Financial Statements. Updates made to our revolving credit agreements in April 2021 are discussed above in the Capital Resources section of this MD&A.

In the first quarter of 2021 Cigna declared and paid a quarterly cash dividend of $1.00 per share of Cigna common stock. On April 28, 2021 the Board of Directors declared a quarterly cash dividend of $1.00 per share of Cigna common stock to be paid on June 23, 2021 to shareholders of record on June 8, 2021. Cigna currently intends to pay regular quarterly dividends, with future declarations subject to approval by its Board of Directors and the Board's determination that the declaration of dividends remains in the best interests of Cigna and its shareholders. The decision of whether to pay future dividends and the amount of any such dividends will be based on the Company's financial position, results of operations, cash flows, capital requirements, the requirements of applicable law and any other factors the Board of Directors may deem relevant.

In April 2021, Cigna completed its acquisition of MDLIVE, Inc. We funded this acquisition with cash on hand and commercial paper borrowings.

As noted in Note 16 to the Consolidated Financial Statements in our 2020 Form 10-K, we fund our qualified pension plans at least at the minimum amount required by the Employee Retirement Income Security Act of 1974 and the Pension Protection Act of 2006. We currently expect the required contributions for 2021 under the Pension Protection Act of 2006 to be immaterial.

Risks to our liquidity and capital resources outlook include cash projections that may not be realized and the demand for funds could exceed available cash if our ongoing businesses experience unexpected shortfalls in earnings or we experience material adverse effects from one or more risks or uncertainties described more fully in the "Risk Factors" section of our 2020 Form 10-K. Though we believe we have adequate sources of liquidity, significant disruption or volatility in the capital and credit markets could affect our ability to access those markets for additional borrowings or increase costs. In addition to the sources of liquidity discussed above, the parent company can borrow an additional $1.9 billion from its subsidiaries without further approvals as of March 31, 2021.

Guarantees and Contractual Obligations

We are contingently liable for various contractual obligations entered into in the ordinary course of business. See Note 15 to the Consolidated Financial Statements for discussion of various guarantees.

We have updated long-term debt obligations and purchase obligations as of March 31, 2021 which were previously provided in our 2020 Form 10-K. Investment commitments are described in Note 9 to the Consolidated Financial Statements. There have been no material changes to other information presented in our table of guarantees and contractual obligations set forth in our 2020 Form 10-K.

(In millions, on an undiscounted basis)	Total	2021	2022 to 2023	2024 to 2025	Thereafter
On-Balance Sheet					
Long-term debt [1]	**$ 49,597**	**$ 1,316**	**$ 5,898**	**$ 6,757**	**$ 35,626**
Off-Balance Sheet					
Purchase Obligations	**$ 3,593**	**$ 1,313**	**$ 1,462**	**$ 522**	**$ 296**

(1) Amounts include scheduled interest payments, current maturities of long-term debt and finance leases.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Consolidated Financial Statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures in the Consolidated Financial Statements. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have a material effect on our consolidated results of operations or financial condition.

Management has discussed how critical accounting estimates are developed and selected with the Audit Committee of our Board of Directors and the Audit Committee has reviewed the disclosures presented in the 2020 Form 10-K. We regularly evaluate items that may impact critical accounting estimates.

Our most critical accounting estimates, as well as the effect of hypothetical changes in material assumptions used to develop each estimate, are described in the 2020 Form 10-K. As of March 31, 2021, there were no significant changes to the critical accounting estimates from what was reported in our 2020 Form 10-K.

SEGMENT REPORTING

The following section of this MD&A discusses the results of each of our segments. See Note 1 to the Consolidated Financial Statements for a description of our segments.

In segment discussions, we present adjusted revenues and "pre-tax adjusted income from operations," defined as income before taxes excluding realized investment gains (losses), amortization of acquired intangible assets and special items. Ratios presented in this segment discussion exclude the same items as pre-tax adjusted income from operations. See Note 16 to the Consolidated Financial Statements for additional discussion of these metrics and a reconciliation of income before income taxes to pre-tax adjusted income from operations, as well as a reconciliation of total revenues to adjusted revenues. Note 16 to the Consolidated Financial Statements also explains that segment revenues include both external revenues and sales between segments that are eliminated in Corporate.

In these segment discussions, we also present "pre-tax adjusted margin," defined as pre-tax adjusted income from operations divided by adjusted revenues.

Evernorth Segment

Evernorth includes a broad range of coordinated and point solution health services, including pharmacy solutions, benefits management solutions, care solutions and intelligence solutions. As described in the introduction to Segment Reporting, Evernorth performance is measured using the below metrics:

- Adjusted gross profit and pre-tax adjusted income from operations, which exclude the impact of special items.
- Adjusted pharmacy script volume is calculated by multiplying the total non-specialty network scripts filled through 90-day programs and home delivery scripts by three and counting all other network and specialty scripts as one script.
- Generic fill rate is defined as the total number of generic scripts divided by the total overall scripts filled. Generally, higher generic fill rates reduce revenues, as generic drugs are typically priced lower than the branded drugs they replace. However, as ingredient cost paid to pharmacies on generic drugs is incrementally lower than the price charged to our clients, higher generic fill rates generally have a favorable impact on our gross profit. The home delivery generic fill rate is currently lower than the network generic fill rate as fewer generic substitutions are available among maintenance medications (such as therapies for chronic conditions) commonly dispensed from home delivery pharmacies as compared to acute medications that are primarily dispensed by pharmacies in our retail networks.

The key factors that impact Evernorth revenues and costs of revenues are volume, mix of claims and price. These key factors are discussed further below. See Note 3 to the Consolidated Financial Statements included in our 2020 Form 10-K for additional information on revenue and cost recognition policies for this segment.

- As our clients' claim volumes increase or decrease, our resulting revenues and cost of revenues correspondingly increase or decrease. Our gross profit could also increase or decrease as a result of changes in purchasing discounts.
- The mix of claims generally considers the type of drug and distribution method used for dispensing and fulfilling. Types of drugs can have an impact on our pharmacy revenues, pharmacy and other service costs and gross profit, including amounts payable under certain financial and performance guarantees with our clients. In addition to the types of drugs, the mix of generic claims (i.e., generic fill rate) also impacts our gross profit. Furthermore, our gross profit differs among network, home delivery and specialty distribution methods and can impact our profitability.
- Our client contract pricing is impacted by our ongoing ability to negotiate supply chain contracts for pharmacy network, pharmaceutical and wholesaler purchasing and manufacturer rebates. As we seek to improve the effectiveness of our integrated solutions for the benefit of our clients, we are continuously innovating and optimizing the supply chain. Our gross profit could also increase or decrease as a result of supply chain initiatives implemented. Inflation also impacts our pricing because most of our contracts provide that we bill clients and pay pharmacies based on a generally recognized price index for pharmaceuticals. Therefore, the rate of inflation for prescription drugs and our efforts to manage this inflation for our clients can affect our revenues and cost of revenues.

In this MD&A, we present revenues and gross profit, as well as adjusted revenues and adjusted gross profit, consistent with our segment reporting metrics, which exclude special items.

Results of Operations

Financial Summary (In millions)		Three Months Ended March 31, 2021		2020	Change Favorable (Unfavorable)
Total revenues	$	**30,620**	$	27,255	12 %
Less: Contractual adjustment for a former client		**—**		(87)	N/M
Adjusted revenues[1]	$	**30,620**	$	27,168	13
Gross profit	$	**1,843**	$	1,701	8
Adjusted gross profit[1]	$	**1,843**	$	1,614	14
Pre-tax adjusted income from operations	$	**1,223**	$	1,082	13 %
Pre-tax adjusted margin		**4.0 %**		4.0 %	

(Dollars and adjusted scripts in millions)		Three Months Ended March 31, 2021		2020	Change Favorable (Unfavorable)
Selected Financial Information[1]					
Pharmacy revenue by distribution channel					
Adjusted network revenues	$	**15,138**	$	12,791	18 %
Adjusted home delivery and specialty revenues		**12,774**		12,005	6
Other revenues		**1,388**		1,242	12
Total adjusted pharmacy revenues	$	**29,300**	$	26,038	13 %
Pharmacy script volume					
Adjusted network scripts[2]		**323**		288	12 %
Adjusted home delivery and specialty scripts[2]		**70**		72	(3)
Total adjusted scripts[2]		**393**		360	9 %
Generic fill rate					
Network		**87.3 %**		88.2 %	(90) bps
Home delivery		**86.0 %**		84.8 %	120 bps
Overall generic fill rate		**87.2 %**		87.9 %	(70) bps

(1) Amounts exclude special items.
(2) Non-specialty network scripts filled through 90-day programs and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

Adjusted network revenues. The increase reflected higher claims volume, primarily due to our collaboration with Prime Therapeutics, increased prices due to inflation on branded drugs and claims mix due to a decrease in the generic fill rate as a result of the COVID-19 vaccine.

Adjusted home delivery and specialty revenues. The increase reflected higher prices, primarily due to inflation on branded drugs, as well as higher specialty claims volume due in part to our collaboration with Prime Therapeutics. This increase was partially offset by lower home delivery claims volume, primarily due to client mix and increased script volume in the first quarter of 2020 due to customers requesting advance prescriptions related to COVID-19 supply concerns, and claims mix due to an increase in the generic fill rate.

Adjusted gross profit. The increase reflected benefits from the effective management of supply chain, strong performance in specialty pharmacy services, customer growth and higher adjusted pharmacy script volumes, primarily due to our collaboration with Prime Therapeutics.

Pre-tax adjusted income from operations. The increase reflected benefits from the effective management of supply chain, strong performance in specialty pharmacy services, customer growth and higher adjusted pharmacy script volumes, primarily due to our collaboration with Prime Therapeutics.

U.S. Medical Segment

U.S. Medical includes Cigna's U.S. Commercial and U.S. Government businesses that provide comprehensive medical and coordinated solutions to clients and customers. U.S. Commercial products and services include medical, pharmacy, behavioral health, dental, vision, health advocacy programs and other products and services for insured and administrative services only ("ASO") clients. U.S. Government solutions include Medicare Advantage, Medicare Supplement and Medicare Part D plans for seniors, Medicaid plans and individual health insurance plans both on and off the public exchanges. As described in the introduction to Segment Reporting, performance of the U.S. Medical segment is measured using pre-tax adjusted income from operations. Key factors affecting profitability for this segment include:

- customer growth;
- revenues from integrated specialty products, including pharmacy services sold to clients and customers across all funding solutions;
- percentage of Medicare Advantage customers in plans eligible for quality bonus payments;
- benefit expenses as a percentage of premiums (medical care ratio or “MCR”) for our insured commercial and government businesses; and
- selling, general and administrative expense as a percentage of adjusted revenues (expense ratio).

Results of Operations

Financial Summary	**Three Months Ended March 31,**		**Change Favorable**
(In millions)	**2021**	**2020**	**(Unfavorable)**
Adjusted revenues	**$ 10,362**	$ 9,860	5 %
Pre-tax adjusted income from operations	**$ 987**	$ 1,199	(18) %
Pre-tax adjusted margin	**9.5 %**	12.2 %	(270) bps
Medical care ratio	**81.8 %**	78.3 %	(350) bps
Expense ratio	**21.7 %**	21.8 %	10 bps

Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

Adjusted revenues increased for the three months ended March 31, 2021 compared with the same period in 2020 reflects customer growth in our Medicare Advantage business, higher premium rates due to anticipated underlying medical cost trend and higher net investment income.

Pre-tax adjusted income from operations decreased for the three months ended March 31, 2021 compared with the same period in 2020. The decrease reflects net unfavorable COVID-19 related impacts and the net effect of non-recurring items; partially offset by higher net investment income and the repeal of the health insurance industry tax. The unfavorable COVID-19 related impacts include direct costs of COVID-19 testing, treatment and vaccines, lower risk adjusted revenues in our Medicare Advantage business, decreased contributions from our specialty products and increased disenrollment resulting from the economic effects of the pandemic. These impacts were partially offset by deferral of care.

The ***medical care ratio*** increased reflecting COVID-19 related impacts and the repeal of the health insurance industry tax; partially offset by the effect of one less calendar day in the first quarter of 2021. COVID-19 related impacts include direct costs of COVID-19 testing, treatment and vaccines costs and lower risk adjusted revenues in our Medicare Advantage business; partially offset by deferral of care.

The ***expense ratio*** was flat due to the repeal of the health insurance industry tax offset by non-recurring items.

Medical Customers

	As of March 31,		
(In thousands)	**2021**	**2020**	**% Change**
U.S. Commercial	**2,133**	2,133	— %
U.S. Government	**1,464**	1,412	4 %
Insured	**3,597**	3,545	1 %
Service	**11,419**	12,007	(5) %
Total	**15,016**	15,552	(3) %

Our medical customer base decreased at March 31, 2021 compared with the same period in 2020, reflecting a lower customer base in our Middle Markets and National Accounts segments including disenrollment resulting from the economic impacts of the COVID-19 pandemic; partially offset by growth in our Select segment and our Medicare Advantage business.

A medical customer is defined as a person meeting any one of the following criteria:

- is covered under a medical insurance policy, managed care arrangement or service agreement issued by us;
- has access to our provider network for covered services under their medical plan; or
- has medical claims that are administered by us.

Unpaid Claims and Claim Expenses

(In millions)	As of March 31, 2021	As of December 31, 2020	% Change
Unpaid claims and claim expenses – U.S. Medical	**$ 3,549**	$ 3,184	11 %

Our unpaid claims and claim expenses liability was higher as of March 31, 2021 compared with December 31, 2020, primarily due to stop loss seasonality.

International Markets Segment

As described in the introduction to Segment Reporting, performance of the International Markets segment is measured using pre-tax adjusted income from operations. Key factors affecting pre-tax adjusted income from operations for this segment are:

- premium growth, including new business and customer retention;
- benefit expenses as a percentage of premiums (loss ratio);
- selling, general and administrative expense as a percentage of revenues (expense ratio and acquisition cost ratio); and
- the impact of foreign currency movements.

Results of Operations

Financial Summary	Three Months Ended March 31,		Change Favorable
(In millions)	2021	2020	(Unfavorable)
Adjusted revenues	**$ 1,572**	$ 1,470	7 %
Pre-tax adjusted income from operations	**$ 262**	$ 282	(7) %
Pre-tax adjusted margin	**16.7 %**	19.2 %	(250) bps
Loss ratio	**59.0 %**	57.8 %	(120) bps
Acquisition cost ratio	**11.0 %**	9.1 %	(190) bps
Expense ratio (excluding acquisition costs)	**17.7 %**	17.4 %	(30) bps

Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

Adjusted revenues increased primarily due to favorable foreign currency movements and business growth.

Pre-tax adjusted income from operations decreased reflecting higher acquisition cost, loss and expense ratios, partially offset by higher net investment income, favorable foreign currency movements and business growth.

The segment's ***loss ratio*** increased reflecting reserve updates and higher claims.

The ***acquisition cost ratio*** increased reflecting the absence of the favorable impact from a refinement to the accounting for acquisition costs in the first quarter of 2020, partially offset by lower amortization expenses in Asia.

The ***expense ratio*** (excluding acquisition costs) increased reflecting a change in business mix.

Other Items Related to International Markets Results

South Korea is the single largest geographic market for our International Markets segment. For the three months ended March 31, 2021, South Korea generated 39% of the segment's adjusted revenues and 59% of the segment's pre-tax adjusted income from operations.

Other Operations

Prior to the sale of the Group Disability and Life business on December 31, 2020, Other Operations included Cigna's Group Disability and Life business which offered group long-term and short-term disability, and group life, accident, voluntary and specialty insurance products and services. Additionally, for 2021 and 2020, this segment includes Corporate Owned Life Insurance ("COLI") and the Company's run-off operations. As described in the introduction of Segment Reporting, performance of Other Operations is measured using pre-tax adjusted income from operations. Key factors affecting pre-tax adjusted income from operations are:

- premiums;
- net investment income;
- benefit expenses as a percentage of premiums (loss ratio); and
- selling, general and administrative expense as a percentage of revenues excluding net investment income (expense ratio).

Results of Operations

Financial Summary	**Three Months Ended March 31,**		**Change Favorable (Unfavorable)**
(In millions)	**2021**	**2020**	
Adjusted revenues	**$ 139**	$ 1,339	(90) %
Pre-tax adjusted income from operations	**$ 24**	$ 77	(69) %
Pre-tax adjusted margin	**17.3 %**	5.8 %	1,150 bps

Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

Sale of U.S. Group Disability and Life Business. As discussed further in the Executive Overview section of this MD&A, we sold our U.S. Group Disability and Life business on December 31, 2020. Because this business constituted the vast majority of the segment, going forward, we expect a substantial decline in adjusted revenues and adjusted income from operations in this segment in 2021 as compared to 2020.

Adjusted revenues and pre-tax adjusted income from operations decreased due to the sale of the Group Disability and Life business.

Corporate

Corporate reflects amounts not allocated to operating segments, including net interest expense (defined as interest on corporate debt less net investment income on investments not supporting segment and other operations), certain litigation matters, expense associated with our frozen pension plans, charitable contributions, severance, certain overhead and project costs and intersegment eliminations for products and services sold between segments.

Financial Summary	**Three Months Ended March 31,**		**Change Favorable (Unfavorable)**
(In millions)	**2021**	**2020**	
Pre-tax adjusted income (loss) from operations	**$ (354)**	$ (405)	13 %

Three Months Ended March 31, 2021 versus Three Months Ended March 31, 2020

Pre-tax adjusted loss from operations was lower, reflecting lower interest expense due to lower levels of outstanding debt.

INVESTMENT ASSETS

The following table presents our investment asset portfolio excluding separate account assets as of March 31, 2021 and December 31, 2020. Additional information regarding our investment assets is included in Notes 9, 10, 11 and 12 to the Consolidated Financial Statements.

(In millions)	**March 31, 2021**	**December 31, 2020**
Debt securities	**$ 17,649**	$ 18,131
Equity securities	**550**	501
Commercial mortgage loans	**1,347**	1,419
Policy loans	**1,344**	1,351
Other long-term investments	**2,897**	2,832
Short-term investments	**511**	359
Total	**$ 24,298**	$ 24,593

Debt Securities

Investments in debt securities include publicly-traded and privately-placed bonds, mortgage and other asset-backed securities and preferred stocks redeemable by the investor. These investments are classified as available for sale and are carried at fair value on our balance sheet. Additional information regarding valuation methodologies, key inputs and controls is included in Note 10 to the Consolidated Financial Statements. More detailed information about debt securities by type of issuer and maturity dates is included in Note 9 to the Consolidated Financial Statements.

The following table reflects our portfolio of debt securities by type of issuer as of March 31, 2021 and December 31, 2020.

(In millions)	**March 31, 2021**	**December 31, 2020**
Federal government and agency	**$ 394**	$ 456
State and local government	**162**	167
Foreign government	**2,420**	2,511
Corporate	**14,214**	14,562
Mortgage and other asset-backed	**459**	435
Total	**$ 17,649**	$ 18,131

Our debt securities portfolio decreased during the first three months of 2021 reflecting a decrease in valuations due to increasing yields, which was partially offset by net purchases during the quarter.

As of March 31, 2021, $15.1 billion, or 86% of the debt securities in our investment portfolio were investment grade (Baa and above, or equivalent) and the remaining $2.5 billion were below investment grade. The majority of the bonds that are below investment grade are rated at the higher end of the non-investment grade spectrum. These quality characteristics have not materially changed since the prior year, and remain consistent with our investment strategy.

Investments in debt securities are diversified by issuer, geography and industry. On an aggregate basis, the debt securities portfolio continues to perform according to original investment expectations. However, due to the economic impacts of the COVID-19 pandemic, there are certain issuers, particularly within the aviation, energy and hospitality sectors, that are showing signs of distress, primarily in the form of requests for temporary covenant relief. There were no material unrealized losses in any of these sectors as of the reporting date. We continue to monitor the economic environment and its effect on our portfolio, and consider the impact of various factors in determining the allowance for credit losses on debt securities, which is discussed in Note 9 to the Consolidated Financial Statements.

Foreign government obligations are concentrated in Asia, primarily South Korea, consistent with our risk management practice and local regulatory requirements of our international business operations. Corporate debt securities include private placement assets of $5.9 billion. These investments are generally less marketable than publicly-traded bonds; however, yields on these investments tend to be higher than yields on publicly-traded bonds with comparable credit risk. We perform a credit analysis of each issuer and require financial and other covenants that allow us to monitor issuers for deteriorating financial strength and pursue remedial actions, if warranted.

Commercial Mortgage Loans

As of March 31, 2021, the $1.3 billion commercial mortgage loan portfolio consisted of approximately 45 loans that are in good standing. Our commercial mortgage loans are fixed rate loans, diversified by property type, location and borrower. Given the quality and diversity of the underlying real estate, positive debt service coverage and significant borrower cash invested in the property generally ranging between 30 and 40%, we remain confident that the vast majority of borrowers will continue to perform as expected under their contract terms. For further discussion of the results and changes in key loan metrics, see Note 9 to the Consolidated Financial Statements.

Loans are secured by high quality commercial properties, located in strong institutional markets, and are generally made at less than 65% of the property’s value at origination of the loan. Property value, debt service coverage, quality, building tenancy and stability of cash flows are all important financial underwriting considerations. We hold no direct residential mortgage loans and do not originate or service securitized mortgage loans.

COVID-19 has negatively impacted commercial real estate fundamentals and capital market activity with concentrated weakness in hotels and regional malls. Our mortgage loan portfolio is well diversified by property type and geography with no material exposure to hotels and no exposure to regional shopping malls. We continue to monitor the long-term impacts on the office sector due to growing headwinds: expanded remote working flexibility, shorter term leases and corporate migration to lower cost states. Our mortgage loans secured by office properties are in good standing.

Other Long-term Investments

Other long-term investments of $2.9 billion as of March 31, 2021 included investments in securities limited partnerships and real estate limited partnerships, direct investments in real estate joint ventures and other deposit activity that is required to support various insurance and health services businesses. The increase in other long-term investments is primarily driven by net additional funding activity. These limited partnership entities typically invest in mezzanine debt or equity of privately-held companies and equity real estate. Given our subordinate position in the capital structure of these underlying entities, we assume a higher level of risk for higher expected returns. To mitigate risk, these investments are diversified across approximately 180 separate partnerships and approximately 95 general partners who manage one or more of these partnerships. Also, the underlying investments are diversified by industry sector or property type and geographic region. No single partnership investment exceeded 4% of our securities and real estate partnership portfolio.

Income from our limited partnership investments is generally reported on a one quarter lag due to the timing of when financial information is received from the general partner or manager of the investments. Our net investment income increased significantly versus the first three months of 2020 driven by the performance of assets underlying our limited partnership investments through December 31, 2020. We expect that income for these investments will remain volatile in the coming quarters, and it is possible that we could experience losses into future periods, but the magnitude of these losses will depend in part on the length and extent of the economic disruption, the speed of the recovery and the overall economic impacts.

We participate in an insurance joint venture in China with a 50% ownership interest. We account for this joint venture on the equity method of accounting and report our share of the net assets of $0.8 billion in Other assets. Our 50% share of the investment portfolio supporting the joint venture's business is approximately $6.0 billion, primarily invested in Chinese corporate and government debt securities diversified by issuer, industry and geography, as appropriate. To a lesser extent and consistent with its investment strategy, the joint venture is invested in Chinese equity investments comprised of approximately 50% equity mutual funds, with the remainder invested in equity securities and private equity partnerships. We participate in the approval of the joint venture's investment strategy and continuously review its execution. There were no investments with a material unrealized loss as of March 31, 2021.

Investment Outlook

Expectations regarding the impact of the vaccine rollout and the pace of relaxing restrictions continues to dominate financial markets. The general optimism for this rollout combined with unprecedented monetary and fiscal support from the government has raised expectations for improved economic growth. Although U.S. treasury rates have increased during the quarter from their historic lows during 2020, they remain well below long-term historical averages. In addition, the wider market credit spreads experienced during 2020 have narrowed meaningfully, resulting in yields for investment grade assets that also remain well below historical averages, and this continues to pressure the income we earn on our fixed income investments. We continue to actively monitor the economic impact of the pandemic, as well as fiscal and monetary responses, and their potential impact on the portfolio. We expect net investment income during 2021 will reflect both the improved optimism within public and private markets for economic recovery, along with the potential for additional market volatility and portfolio impacts, particularly in certain sectors such as aviation, hospitality and energy, as well as other areas most severely impacted by COVID-19. Future realized and unrealized investment results will be driven largely by market conditions that exist when a transaction occurs or at the reporting date. These future conditions are not reasonably predictable; however, we believe that the vast majority of our investments will continue to perform under their contractual terms. Based on our strategy to match the duration of invested assets to the duration of insurance and contractholder liabilities, we expect to hold a significant portion of these assets for the long-term. Although future declines in investment fair values resulting from interest rate movements and credit deterioration due to both investment-specific and the global economic uncertainties discussed above remain possible, we do not expect these losses to have a material adverse effect on our financial condition or liquidity.

MARKET RISK

Financial Instruments

Our assets and liabilities include financial instruments subject to the risk of potential losses from adverse changes in market rates and prices. Our primary market risk exposures are interest rate risk and foreign currency exchange rate risk. We encourage you to read this in conjunction with “Market Risk – Financial Instruments” included in the MD&A section of our 2020 Form 10-K. As of March 31, 2021 there were no material changes in our risk exposures from those reported in our 2020 Form 10-K.

Item 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

Information responsive to this item is contained under the caption “Market Risk” in Item 2 above, Management’s Discussion and Analysis of Financial Condition and Results of Operations, and is incorporated herein by reference.

Item 4. ***CONTROLS AND PROCEDURES***

Based on an evaluation of the effectiveness of Cigna’s disclosure controls and procedures conducted under the supervision and with the participation of Cigna’s management (including Cigna’s Chief Executive Officer and Chief Financial Officer), Cigna's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, Cigna’s disclosure controls and procedures are effective to ensure that information required to be disclosed by Cigna in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms and is accumulated and communicated to Cigna’s management, including Cigna’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, Cigna's internal control over financial reporting.

Part II. ***OTHER INFORMATION***

Item 1. ***LEGAL PROCEEDINGS***

The information contained under “Litigation Matters” and “Regulatory Matters” in Note 15 to the Consolidated Financial Statements is incorporated herein by reference.

Item 1A. ***RISK FACTORS***

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. ***UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***

Issuer Purchases of Equity Securities

The following table provides information about Cigna’s share repurchase activity for the quarter ended March 31, 2021:

Period	Total # of shares purchased (1)	Average price paid per share	Total # of shares purchased as part of publicly announced program (2)	Approximate dollar value of shares that may yet be purchased as part of publicly announced program (3)
January 1-31, 2021	**3,639,296**	**$ 217.79**	**3,638,504**	**$ 3,080,714,000**
February 1-28, 2021	**5,508,484**	**$ 209.68**	**5,114,482**	**$ 2,008,520,487**
March 1-31, 2021	**4,014,992**	**$ 236.10**	**3,993,044**	**$ 1,065,659,301**
Total	**13,162,772**	**$ 219.98**	**12,746,030**	**N/A**

(1) Includes shares tendered by employees under the Company’s equity compensation plans as follows: 1) payment of taxes on vesting of restricted stock (grants and units) and strategic performance shares and 2) payment of the exercise price and taxes for certain stock options exercised. Employees tendered 792 shares in January, 394,002 shares in February and 21,948 shares in March 2021.

(2) Additionally, the Company maintains a share repurchase program authorized by the Board of Directors. Under this program, the Company may repurchase shares from time to time, depending on market conditions and alternate uses of capital. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions and alternate uses of capital. The share repurchase program may be effected through Rule 10b5-1 plans, open market purchases, each in compliance with Rule 10b-18 under the Exchange Act, or privately negotiated transactions. The program may be suspended or discontinued at any time and does not have an expiration date. In April 2021, the Board increased repurchase authority by an additional $2 billion. From April 1, 2021 through May 6, 2021, the Company repurchased 1.7 million shares for approximately $400 million, leaving repurchase authority at $2.7 billion as of May 6, 2021.

(3) Approximate dollar value of shares is as of the last date of the applicable month.

ITEM 6. EXHIBITS

INDEX TO EXHIBITS

Number	Description	Method of Filing
4.1	Supplemental Indenture No. 5, dated as of March 3, 2021, between Cigna Corporation and U.S. Bank National Association, as trustee.	Filed by registrant as Exhibit 4.1 to the Current Report on Form 8-K on March 3, 2021 and incorporated herein by reference.
10.1*	Form of Cigna Long-Term Incentive Plan: Strategic Performance Share Grant Agreement	Filed herewith.
10.2*	Form of Cigna Long-Term Incentive Plan: Nonqualified Stock Option Grant Agreement	Filed herewith.
10.3*	Form of Cigna Long-Term Incentive Plan: Restricted Stock Grant Agreement	Filed herewith.
10.4*	Form of Cigna Long-Term Incentive Plan: Restricted Stock Unit Grant Agreement	Filed herewith.
10.5*	Cigna Long-Term Incentive Plan, amended and restated effective April 28, 2021	Filed by registrant as Exhibit 10.1 to the Current Report on Form 8-K on May 3, 2021 and incorporated herein by reference.
10.6	Revolving Credit and Letter of Credit Agreement, dated as of April 29, 2021, with the banks named therein, JPMorgan Chase Bank, N.A.,as administrative agent, BofA Securities, Inc., Citibank, N.A., Morgan Stanley Senior Funding, Inc., MUFG Bank, LTD and Wells FargoSecurities, LLC, as joint lead arrangers and joint bookrunners	Filed by registrant as Exhibit 10.1 to the Current Report on Form 8-K on April 30, 2021 and incorporated herein by reference.
31.1	Certification of Chief Executive Officer of Cigna Corporation pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
31.2	Certification of Chief Financial Officer of Cigna Corporation pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934	Filed herewith.
32.1	Certification of Chief Executive Officer of Cigna Corporation pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350	Furnished herewith.
32.2	Certification of Chief Financial Officer of Cigna Corporation pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350	Furnished herewith.
101	Financial statements from the quarterly report on Form 10-Q of Cigna Corporation for the quarter ended March 31, 2021 formatted in inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Total Equity; (v) the Consolidated Statements of Cash Flow; and (vi) the Notes to the Consolidated Financial Statements	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith.

* *Management contracts and compensatory plans or arrangements.*

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 7, 2021

CIGNA CORPORATION

/s/ Brian C. Evanko

Brian C. Evanko
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)

Cigna Corporation

Cigna Long-Term Incentive Plan: Strategic Performance Share Grant Agreement

Cigna Corporation ("Cigna") has granted you the number of strategic performance shares set forth below in this Strategic Performance Share Grant Agreement ("Strategic Performance Share Grant" or "Grant") under the Cigna Long-Term Incentive Plan ("Plan"). The date of your Strategic Performance Share Grant ("Grant Date") is also indicated below. The award is subject to the provisions of the Plan and the Terms and Conditions below.

The award of Shares pursuant to this Strategic Performance Share Grant is **expressly conditioned** on your acceptance of the terms and conditions of this Grant and of the attached Confidentiality, Non-Competition and Non-Solicitation Agreement (or with respect to Cigna company employment in California, the attached Confidentiality and Non-Solicitation Agreement) (as applicable, the "Covenant Agreement"). You should carefully read all the terms and conditions of this Strategic Performance Share Grant and the attached Covenant Agreement and be sure you understand what they say and what your responsibilities and obligations are **before you click on the ACCEPT button** to acknowledge and agree to this Grant.

If you are not willing to agree to all of the Grant and Covenant Agreement terms and conditions, **do not accept the Grant and do not click the ACCEPT button** for the Strategic Performance Share Grant Acknowledgment and Agreement. If you do not accept the Grant, you will not receive the benefits of the Grant.

If you do **click on the ACCEPT button**, you are accepting and agreeing to all of the terms and conditions of this Strategic Performance Share Grant and the Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

Participant:
Grant Type:
Plan Name: Cigna Long-Term Incentive Plan

Grant Date:
Total Granted:
Grant Price: (USD)

Vesting Schedule

Shares Granted	Approximate Vest Date

Please Note: The date shown in the Vesting Schedule chart above is not your actual vesting date. It is an approximation of the expected vesting date and is provided due to systems requirements. In accordance with the Terms and Conditions of your Strategic Performance Share Grant, the actual vesting date will be determined by the People Resources Committee of the Board of Directors.

In addition to this Strategic Performance Share Grant and the attached Covenant Agreement, you should also read the Plan Document and Key Contacts and Reference Materials document (attached to the Plan) and indicate that you have done so and agree to the terms of all documents attached to this Grant by checking the appropriate box in the online grant acceptance process. The Key Contacts and Reference Materials document contains information on how to get important award information (such as the Plan Prospectus, Tax Considerations and Cigna's Securities Transactions and Insider Trading Policy) and whom to contact if you have questions.

Please be aware that the Cigna Securities Transactions and Insider Trading Policy places restrictions on your transactions in Cigna securities and requires certain Cigna employees to obtain advance permission from the Corporate Secretary before executing transactions in Cigna securities.

If you have questions about your award, please contact Cigna Shareholder Services by email at shareholderservices@cigna.com or by phone at 215.761.3516.

Important Notice: Strategic Performance Share Grant and Covenant Agreement Acknowledgment and Agreement

By clicking on the **ACCEPT** button, I:

Acknowledge and represent to Cigna that I have:

1. received the Strategic Performance Share Grant, the Terms and Conditions of the Strategic Performance Share Grant and the Covenant Agreement;
2. read and understand their terms and conditions, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions; and
3. received answers to any questions I had about the Grant, the Terms and Conditions of the Grant and the Covenant Agreement and their terms and conditions, including the applicable restrictive covenants.

Scroll down for the TERMS AND CONDITIONS of the Strategic Performance Share Grant.

TERMS AND CONDITIONS OF YOUR [YEAR] GRANT
OF STRATEGIC PERFORMANCE SHARES

These Terms and Conditions are an important part of your grant of Strategic Performance Shares from Cigna Corporation (Cigna). The terms of your Strategic Performance Share grant are in: (a) the electronic Strategic Performance Share Grant Agreement above, (b) these Terms and Conditions (including Schedule I), (c) the Covenant Agreement, and (d) the Cigna Long-Term Incentive Plan (Plan).

Certain words in this document with first letters capitalized are defined in the Strategic Performance Share Grant Agreement above, these Terms and Conditions or Article 2 of the Plan. This grant is void if you are not an employee of Cigna or a Subsidiary (a Cigna company) on the Grant Date.

1. ***Strategic Performance Shares; Performance Period***

Each Strategic Performance Share (Performance Share) represents a conditional right to receive one share of Cigna Common Stock (Share), subject to the performance, vesting and payment provisions described below. The Performance Period applicable to your award is January 1, [___] to December 31, [___] (the Performance Period).

2. ***Restrictions***

Performance Shares are subject to certain Restrictions from the Grant Date until the Payment Date described in paragraph 4. The Restrictions are:

(a) You cannot sell or transfer the Performance Shares to anyone;

(b) Unless an exception applies (described in paragraph 4), you will forfeit (lose your right to) your unvested Performance Shares and all related rights immediately upon your Termination; and

(c) Of the Performance Shares awarded to you (Shares Awarded), the number of Performance Shares, if any, that you earn and for which you may receive payment (Shares Earned) is subject to the performance criteria described in Schedule I.

Article 11 of the Plan describes these Restrictions in more detail. In addition to these Restrictions, you must also comply with all the terms and conditions of this grant and the Covenant Agreement.

3. ***Performance Shares Earned***

(a) Schedule I specifies the performance criteria applicable to your Shares Awarded. Except as provided in paragraph 4, after the end of the Performance Period, the Committee shall determine whether and to what extent these performance criteria have been achieved for purposes of determining the Vesting Percentage applicable to your Performance Shares (Shares Earned Percentage).

(b) Any Shares Awarded that are not Shares Earned after giving effect to the Committee's determinations under this paragraph 3 shall terminate and become null and void immediately following such determinations.

4. ***Eligibility for Payment***

(a) Except as described in paragraph 4(b) and subject to paragraph 4(c) and paragraph 3, the Restrictions on the Performance Shares will end (your Performance Shares will vest) on the Payment Date described in paragraph 5, but only if you remain continuously employed by a Cigna company until the Payment Date and comply with all the terms and conditions of this grant and the Covenant Agreement.

(b) Notwithstanding paragraph 4(a) and subject to paragraph 4(c) and paragraph 3, if your Termination is before the Payment Date:

(1) Your Performance Shares will vest upon your Termination if it is a Termination Upon a Change of Control. If your Performance Shares vest under this paragraph 4(b)(1), the Shares Earned Percentage shall be 100%.

Whether there is a Termination Upon a Change of Control for purposes of this Strategic Performance Share grant is determined by reference to a Change of Control (as defined in the Plan) of the entity issuing this grant (Cigna Corporation) and not by reference to a Change of Control of any predecessor entity of Cigna Corporation.

(2) Your Performance Shares will vest upon your Termination if it is due to your death or Disability. If your Performance Shares vest under this paragraph 4(b)(2), the Shares Earned Percentage shall be 100%.

(3) Your Performance Shares *may continue* to vest following your Termination due to your Early Retirement or Retirement if:

(i) The date of Termination due to your Early Retirement or Retirement is at least six (6) months after the Grant Date, provided that this requirement may be waived by (i) Cigna's Senior Human Resources Officer in certain limited and unanticipated circumstances, or (ii) with respect to the CEO or any executive officer who is subject to the requirements of Section 16(a) of the Exchange Act ("Executive Officer"), the Committee;

(ii) You will <u>not</u> be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement);

(iii) You continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period; and

(iv) The Committee or its designee (including Cigna's Senior Human Resources Officer) approves the continued vesting before your Termination.

If you want to be considered for continued vesting when you retire, you must ask your manager or human resources representative far enough in advance of your retirement so there is time to process your request. A Termination resulting from a Cigna divestiture, outsourcing or other business transaction where you become employed by the buyer, vendor or other entity involved in the transaction will not constitute a Retirement or Early Retirement under this paragraph 4(b)(3).

If your Performance Shares continue to vest under this paragraph 4(b)(3), the Shares Earned Percentage shall be determined by the Committee under paragraph 3(a) above and then prorated based on the amount of time you were employed by a Cigna company during the applicable Performance Period prior to your Early Retirement or Retirement date.

(4) Your Performance Shares *will continue* to vest following your Termination if your Termination is an Involuntary Termination that occurs within twelve (12) months of the Payment Date for the Performance Shares described in paragraph 5 below. For example, if the date of your Involuntary Termination is June 1, 2023 you will vest in any Performance Shares scheduled to be paid on or before June 1, 2024 on the otherwise scheduled Payment Date.

If your Performance Shares continue to vest under this paragraph 4(b)(4), the Shares Earned Percentage shall be determined by the Committee under paragraph 3(a) above and then prorated based on the amount of time you were employed by a Cigna company during the applicable Performance Period prior to the date of your Involuntary Termination.

The continued vesting described in this paragraph 4(b)(4) is subject to (and contingent upon) your ongoing compliance with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

(5) Except with respect to the CEO or any Executive Officer, if approved by Cigna's Senior Human Resources Officer, or his or her designee, before your Termination, your Shares *may continue* to vest following your Termination if you (1) continue to provide services to Cigna as a consultant or contractor under the terms of an agreement and release between you and Cigna, and (2) continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

If your Performance Shares continue to vest under this paragraph 4(b)(5), the Shares Earned Percentage shall be determined by the Committee under paragraph 3(a) above.

The continued vesting period, if any, under this paragraph 4(b)(5) shall be equal to the period of your continued services to Cigna as a consultant or contractor under the terms of an agreement and release.

(6) For avoidance of doubt, the continued vesting described in paragraphs 4(b)(3), 4(b)(4) and 4(b)(5) above is expressly subject to (and contingent upon) your ongoing compliance with the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period. If a Violation (as defined below) occurs or is discovered following your Termination, then, in addition to any other remedies available to Cigna under this Grant or the Covenant Agreement, any then unvested Performance Shares shall be immediately and automatically forfeited.

(c) You must comply in all respects with the terms and conditions of this Grant and the Covenant Agreement.

5. *Payment*

(a) Except as provided in paragraph 5(b) and 5(c), below, your vested Shares Earned under this grant will be paid in the year following the close of the Performance Period on the date within such year specified by the Committee (Payment Date).

(b) Any Performance Shares that vest on account of your Termination due to death or Disability will be paid during the 90 day period immediately following your Termination due to death or Disability to you (or to your estate, in the case of death).

(c) Any Performance Shares that vest on account of your Termination Upon a Change of Control will be paid during the 30 day period immediately following your Termination Upon a Change of

Control, *provided that* the applicable Change of Control is a “change in control event” under Code Section 409A.

If the applicable Change of Control is not a “change in control event” under Code Section 409A, your vested Shares Earned will be paid as provided in paragraph 5(a) above.

(d) For each Share Earned that vests, Cigna will make payment by issuing one Share as of the Payment Date. Until the Shares are issued to you, you will not be a Cigna shareholder, not have the right to vote the Shares, and not receive actual dividends.

6. *Taxes*

Section 17.7 of the Plan shall apply to any tax withholding that may be required by law for Performance Shares or Shares. Upon the vesting or payment of any Performance Share, Cigna reserves the right to withhold enough newly-issued Shares to cover all or part of any applicable tax withholding.

7. *Book-Entry Shares; Sale of Shares*

(a) Upon payment of the Shares as described in paragraph 5, Cigna (or a custodian appointed by Cigna) will hold your Shares in book-entry form in a Stock Account. That is, a record of your Share ownership will be kept electronically.

(b) You may generally sell or transfer the Shares at any time, but your right to sell the Shares may be limited by Cigna. This right is subject to the terms of Cigna's Securities Transactions and Insider Trading Policy, and Cigna reserves the right, for any reason at any time, to suspend or delay action on any request you make to sell the Shares.

8. *Conditions of Grant*

(a) By accepting the grant, you are agreeing:

(1) to the Inventions provision in paragraph 8(b);

(2) to the restrictions contained in the attached Covenant Agreement and in paragraph 8(c)(2) below (such restrictions collectively, the “Promises”);

(3) to **notify Cigna** if you accept an offer to perform services for any individual or entity while you are subject to the non-competition Promise under the Covenant Agreement. Such notice shall be provided by email to noncompete@express-scripts.com within 10 days of your acceptance of the offer and shall identify the individual or entity and your anticipated start date;

(4) to **disclose the terms of the Promises** (including, without limitation, the Promises related to non-solicitation and non-competition) and the consequences of a Violation (as defined below) **to any individual or entity** for whom you perform services during the 12 month period immediately following your Termination; and

(5) not to engage in any activity that would constitute a Violation (as defined below).

You understand and agree that the conditions of the grant set forth in this paragraph 8(a) are a material part of the inducement for Cigna's granting you the Performance Shares and essential pre-conditions to your eligibility to exercise any rights associated with the Grant and retain any benefit from the vesting of the Performance Shares and issuance of the Shares.

The award of Shares pursuant to this Strategic Performance Share Grant is expressly conditioned on your acceptance of the terms and conditions of this Grant and of the attached Covenant

Agreement. If you **decide to accept this** Strategic Performance Share Grant, you are accepting and agreeing to all of the terms and conditions of this Grant and of the attached Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

You should review the terms of this Grant and the Covenant Agreement carefully to ensure that you understand what they say and what your responsibilities and obligations are **before you click on the accept button** to acknowledge and agree to this Grant.

(b) ***Inventions***

(1) You hereby assign and promise to assign to Cigna companies or their designee, all your right, title, and interest in and to any and all current and future Inventions. You acknowledge that all original works of authorship which you make (whether alone or jointly with others) within the scope of your Cigna company employment and which are protectable by copyright are "works made for hire," as defined in the United States Copyright Act.

(2) You agree to (i) maintain and make available adequate current records, including electronic records, notes, sketches and drawings, of all Inventions you make, and (ii) disclose such Inventions in writing upon request. These records will remain the property of Cigna companies.

(3) If in the course of your Cigna company employment, you incorporate a Prior Invention into any Cigna company work product, you grant Cigna companies a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to use the Prior Invention as part of or in connection with the work product. Within 45 days after the date of this grant, you agree to notify Cigna Shareholder Services (shareholderservices@Cigna.com) of any Prior Inventions that you are not assigning under this paragraph 8(b).

(4) "Inventions" means any and all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets, or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you have or will solely or jointly conceive, develop, reduce to practice, or fix during your Cigna company employment.

(5) "Prior Inventions" means all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you conceived, developed, reduced to practice or fixed before your Cigna company employment and which belong to you.

(c) ***Violation***

You will engage in a "Violation" if, directly or indirectly, you engage in any willful misconduct as described in paragraph 8(c)(1) below or you break any of the "Promises".

(1) **Willful Misconduct**:

(A) You have a Termination initiated by a Cigna company because you engaged in conduct that constitutes a gross violation of Cigna's Code of Ethics and Principles of Conduct or other employment policies.

(B) You do anything else while an employee of any Cigna company that is not discovered by the company until after your Termination and that would, if you had still been employed at the time of the discovery, be reason for your Termination for willful misconduct, as described above.

(2) **Promise to Assist with Patent and Copyright Registrations**:

(A) You Promise that, during your Cigna company employment and after your Termination, you will assist Cigna companies, should they request and at Cigna's expense, to secure their rights (including any copyrights, patents, trademarks or other intellectual property rights) in or relating to the Inventions in any and all countries, including by:

(i) disclosing to Cigna Companies all pertinent information and data; and

(ii) executing all applications, assignments or other instruments necessary to apply for and obtain these rights and assign them to Cigna companies.

(d) (1) If you were an Executive Officer at any time during the 24-month period before the date of a Violation of the Covenant Agreement, the Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 9) and to impose conditions on any waiver.

(2) If you are in Career Band 6 or higher on your Termination date but <u>not</u> subject to paragraph 8(d)(1) above, Cigna's Restrictive Covenant Review Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 9) and to impose conditions on any waiver.

(3) Otherwise, Cigna's Senior Human Resources Officer, or his or her designee, will have the sole discretion to waive your obligation to make all or any part of the Payment and to impose conditions on any waiver.

(4) Determinations of the Committee, the Restrictive Covenant Review Committee, or Cigna's Senior Human Resources Officer (or his or her designee), will be final and binding on all parties.

9. *Consequences of a Violation: Payment to Cigna*

Important: This paragraph 9 is not Cigna's only remedy for a Violation. Cigna may seek any additional legal or equitable remedy, including as described in the Covenant Agreement.

(a) If you engage in any Violation at any time:

(1) You will immediately forfeit all unvested Performance Shares; and

(2) No payment will be made for any Performance Shares that have vested under paragraph 4(b) if the Violation occurs before the applicable Payment Date.

(b) You must immediately make the Payment described in paragraph 9(c) to Cigna in the manner described in paragraph 9(d) if:

(1) You engage in a Violation of the non-competition or non-solicitation restrictions of the Covenant Agreement; or

(2) You engage in a Violation described in paragraph 8(c)(1) (willful misconduct) or any other Violation (e.g. you disclose Cigna company Confidential Information in violation of the Covenant Agreement) **at any time**.

(c) "Payment" is the value you realize from any Performance Shares that are paid under paragraph 5 during the 12-month period prior to the date of your Termination and thereafter. The Payment will equal:

(1) The number of Performance Shares that are paid during the applicable period;

multiplied by

(2) The Fair Market Value of the Shares issued on the Payment Date for those Performance Shares;

plus

(3) The total amount of all actual dividends, if any, paid to you on those Shares through the date of the Payment described in paragraph 9(d).

(d) Cigna will recover the Payment from you by any means permitted by applicable law, at the sole discretion of Cigna management, including but not limited to any or all of the following methods:

(1) If you have any Shares in a Stock Account or in any other account in book-entry form when a Violation occurs, Cigna will take back from you the whole number of Shares that has a total Fair Market Value as of the date of the Violation up to, but not more than, the Payment amount.

(2) Cigna will, to the extent permitted by applicable law, reduce:

(A) The amount of any payments that any Cigna company owes you for any reason (including without limit any payments owed to you under any nonqualified retirement, deferred compensation or other plan or arrangement) by

(B) The Payment amount.

This reduction will not occur until the date a future payment to you is due.

(3) Cigna will send you a written notice and demand for all or part of any Payment amount. Within 30 days after you receive that notice and demand, you must make the Payment to Cigna.

10. *Consequences of a Violation: Designation of Cigna as Agent and Attorney-in-Fact for Inventions*

You agree that:

(a) If Cigna Companies are unable to obtain your signature on any instruments needed to secure their rights in or relating to the Inventions pursuant to paragraph 8(c)(2)(A); then

(b) You hereby appoint Cigna companies and their duly authorized officers as your agents and attorneys in fact to act for and on your behalf to execute and file any documents and take other actions as may be necessary for Cigna companies to secure those rights.

11. *Agreeing to Assume Risks*

Cigna, its stock plan administrator and its transfer agent will try to process your stock transaction requests in a timely manner; however, Cigna makes no promises or guarantees to you relating to the market price of the Shares or to the time it may take to act on your request to sell the Shares. By accepting this Strategic Performance Share grant:

(a) You acknowledge that the action you request may not be completed until several days after you submit it.

(b) You agree to assume the risks, including the risk that the market price of the Shares may change, related to delays described in paragraph 11(a) between the time you ask for any Shares to be sold and the time your Shares are actually sold.

12. *Applicable Law*

You understand and agree that, except as otherwise provided in the Covenant Agreement, the terms and conditions of this Strategic Performance Share Grant and all determinations made under the Strategic Performance Share Grant Agreement, the Plan, and these Terms and Conditions will be interpreted under the laws of the State of Delaware, without regard to its conflict of laws rule.

For the avoidance of doubt, the terms and conditions of the Covenant Agreement and all determinations made under the Covenant Agreement will be interpreted under applicable state law as set forth in the Covenant Agreement.

13. *Arbitration*

Except as otherwise provided in the Covenant Agreement, if you have an agreement with Cigna to arbitrate employment-related disputes, you agree to resolve any disputes relating to this Strategic Performance Share Grant through arbitration.

14. *Acceptance*

If you disagree with any of these Terms and Conditions, or the terms and conditions of the Covenant Agreement, YOU MUST NOT ACCEPT THE STRATEGIC PERFORMANCE SHARE GRANT. If you sign the Strategic Performance Share grant, or the Covenant Agreement, or acknowledge your acceptance electronically or otherwise, you will be:

(a) Agreeing to all the terms and conditions of the Strategic Performance Share grant and of the Covenant Agreement, including the Inventions provision in paragraph 8(b) and all of the Promises;

(b) Warranting and representing to Cigna that you are, and will remain, in full compliance with all applicable terms and conditions;

(c) Authorizing Cigna to recover the Payment described in paragraph 9 and to seek any other available remedy pursuant to the Covenant Agreement, if you engage in a Violation; and

(d) Appointing Cigna as your agent and attorney-in-fact to secure rights with respect to Inventions if unable to obtain your signature as described in paragraph 10.

Cigna Corporation

Cigna Long-Term Incentive Plan: Nonqualified Stock Option Grant Agreement

Cigna Corporation ("Cigna") has granted you the option to purchase the number of shares of Cigna Common Stock set forth below in this Option Grant Agreement ("Option Grant") under the Cigna Long-Term Incentive Plan ("Plan"). The date of your Option Grant ("Grant Date"), the dates on which your Option Grant is scheduled to vest ("Vesting Dates") and the date on which it is scheduled to expire ("Expiration Date") are also indicated below. The award is subject to the provisions of the Plan and the Terms and Conditions below.

The award of Options pursuant to this Nonqualified Stock Option Grant is **expressly conditioned** on your acceptance of the terms and conditions of this Option Grant and of the attached Confidentiality, Non-Competition and Non-Solicitation Agreement (or, with respect to Cigna company employment in California, the attached Confidentiality and Non-Solicitation Agreement) (as applicable, the "Covenant Agreement"). You should carefully read all the terms and conditions of this Option Grant and the attached Covenant Agreement and be sure you understand what they say and what your responsibilities and obligations are **before you click on the ACCEPT button** to acknowledge and agree to this Option Grant.

If you are not willing to agree to all of the Option Grant and Covenant Agreement terms and conditions, **do not accept the Option Grant and do not click the ACCEPT button** for the Option Grant Acknowledgment and Agreement. If you do not accept the Option Grant, you will not receive the benefits of the Option Grant.
If you do **click on the ACCEPT button**, you are accepting and agreeing to all of the terms and conditions of this Option Grant and the Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

Participant:
Grant Type:
Plan Name: Cigna Long-Term Incentive Plan

Grant Date:
Grant Expiration Date:
Total Options Granted:
Option Price: (USD)

Vesting Schedule: **Please refer to Appendix: Vesting Schedule** on the last page of this document

In addition to this Nonqualified Stock Option Grant and the attached Covenant Agreement, you should also read the Plan Document and Key Contacts and Reference Materials document (attached to the Plan) and indicate that you have done so and agree to the terms of all documents attached to this Option Grant by checking the appropriate box in the online grant acceptance process. The Key Contacts and Reference Materials document contains information on how to get important stock award information (such as the

Plan Prospectus, Tax Considerations and Cigna's Securities Transactions and Insider Trading Policy) and whom to contact if you have questions.

Please be aware that the Cigna Securities Transactions and Insider Trading Policy places restrictions on your transactions in Cigna securities and requires certain Cigna employees to obtain advance permission from the Corporate Secretary before executing transactions in Cigna securities.

If you have questions about your award, please contact Cigna Shareholder Services by email at shareholderservices@cigna.com or by phone at 215.761.3516.

Important Notice: Option Grant and Covenant Agreement Acknowledgment and Agreement

By clicking on the **ACCEPT** button, I:

Acknowledge and represent to Cigna that I have:

1. received the Option Grant, the Terms and Conditions of the Option Grant and the Covenant Agreement;
2. read and understand their terms and conditions, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions; and
3. received answers to any questions I had about the Option Grant, the Terms and Conditions of the Option Grant and the Covenant Agreement and their respective terms and conditions, including the applicable restrictive covenants.

Scroll down for the TERMS AND CONDITIONS of the Option Grant.

TERMS AND CONDITIONS OF YOUR [YEAR] GRANT OF A NONQUALIFIED STOCK OPTION

These Terms and Conditions are an important part of your grant of a nonqualified stock option (Option) from Cigna Corporation (Cigna). The terms of your Option are in (a) the electronic Option Grant Agreement above, (b) these Terms and Conditions, (c) the Covenant Agreement, and (d) the applicable Plan provisions.

Certain words in this document with first letters capitalized are defined in the Option Grant Agreement above, these Terms and Conditions or Article 2 of the Plan. This grant is void if you are not an employee of Cigna or a Subsidiary (a Cigna company) on the Grant Date.

1. *The Option*

The Option gives you the right to buy a certain number of shares of Cigna Common Stock (Shares) during the Option Period (described in paragraph 2) at the Option Price. Your Option Grant Agreement lists the number of Shares and your Option Price. To buy the Shares at the Option Price, you must exercise the Option.

2. *Option Period; Vesting*

(a) You can exercise the Option only during the Option Period. The Option becomes exercisable, or "vests," on the first day of the Option Period and expires on the last day of the Option Period.

(b) The Option Period for the Shares (or for a portion of the Shares) starts on the applicable Vesting Date as shown in the Appendix: Vesting Schedule. The Appendix contains the Vesting Schedule for the Option.

(c) The Option Period for all the Shares ends, and the Option will expire, the earlier of (1) 5:00 p.m. Philadelphia time on the Expiration Date or (2) upon your Termination as described under *Early Expiration* in paragraph 4.

3. *Early or Continued Vesting*

The Option may vest earlier than the dates listed on the Appendix or continue to vest after your Termination date, as described here. If your Termination occurs before the Option vests under the Vesting Schedule set forth on the Appendix, the Option will vest on your Termination date or continue to vest after your Termination date (as applicable), but only if your Termination is described in this paragraph 3.

(a) The Option will fully vest on your Termination date if your Termination is due to death or Disability or a Termination Upon a Change of Control.

Whether there is a Termination Upon a Change of Control for purposes of this Option Grant is determined by reference to a Change of Control (as defined in the Plan) of the entity issuing this grant (Cigna Corporation) and not by reference to a Change of Control of any predecessor entity of Cigna Corporation.

(b) The Option *may continue* to vest following your Termination due to Early Retirement or Retirement if:

(1) The date of Termination due to your Early Retirement or Retirement is at least six (6) months after the Grant Date, provided that this requirement may be waived by (i) Cigna's

Senior Human Resources Officer in certain limited and unanticipated circumstances, or (ii) with respect to the CEO or any executive officer who is subject to the requirements of Section 16(a) of the Exchange Act ("Executive Officer"), the Committee;

(2) You will not be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement);

(3) You continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period; and

(4) The Committee or its designee (including Cigna's Senior Human Resources Officer) approves the continued vesting before your Termination.

If you want to be considered for continued vesting when you retire, you must ask your manager or human resources representative far enough in advance of your retirement so there is time to process your request.

A Termination resulting from a Cigna divestiture, outsourcing or other business transaction where you become employed by the buyer, vendor or other entity involved in the transaction will not constitute a Retirement or Early Retirement under this paragraph 3(b).

(c) The Option *will continue* to vest for a period of twelve (12) months following the date of your Involuntary Termination as if you had remained employed for such twelve (12) month period. For example, if the date of your Involuntary Termination is June 1, 2021 you will vest in any portion of the Option scheduled to vest on or before June 1, 2022 on the otherwise scheduled Vesting Date.

The continued vesting described in this paragraph 3(c) is subject to (and contingent upon) your ongoing compliance with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

(d) Except with respect to the CEO or any Executive Officer, if approved by Cigna's Senior Human Resources Officer, or his or her designee, before your Termination, your Option may continue to vest following your Termination if you (1) continue to provide services to Cigna as a consultant or contractor under the terms of an agreement and release between you and Cigna, and (2) continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

The continued vesting period, if any, under this paragraph 3(d) shall be equal to the period of your continued services to Cigna as a consultant or contractor under the terms of an agreement and release.

(e) For avoidance of doubt, the continued vesting described in paragraphs 3(b), 3(c) and 3(d) above is expressly subject to (and contingent upon) your ongoing compliance with the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period. If a Violation (as defined below) occurs or is discovered following your Termination, then, in addition to any other remedies available to Cigna under this Option Grant Agreement or the Covenant Agreement, any then outstanding portion of this Option (whether vested or unvested) shall be immediately and automatically cancelled and forfeited.

4. ***Early Expiration upon Termination; Exceptions***

(a) Upon your Termination (other than a Termination for Cause), the Option will expire on the earlier of the Expiration Date or ninety (90) days after your Termination date *unless* one of the exceptions described in paragraph 4(b) through (f) applies.

(b) If (1) your Termination is because of your death, Disability or Retirement, and (2) you will not be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement), then the Option will expire at 5:00 p.m. Philadelphia time on the Expiration Date.

(c) If your Termination is because of your Early Retirement, and you will not be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement), the Option will expire at 5:00 p.m. Philadelphia time on:

(1) The earlier of the Expiration Date or the third anniversary of your Termination date; or

(2) The Expiration Date if, within six months before your Termination date, you were an Executive Officer.

(d) If your Termination is an Involuntary Termination, the Option will expire on the earlier of (1) the Expiration Date or (2) ninety (90) days after the first anniversary of your Termination date.

(e) If your Termination is Upon a Change of Control (of Cigna Corporation), the Option will expire on the earlier of the Expiration Date or the third anniversary of your Termination date.

(f) The Option will expire immediately upon your Termination for Cause.

5. ***Exercising the Option; Tax Withholding***

(a) Cigna may limit your rights to exercise the Option and to sell any Shares you acquire by exercising the Option. Your rights are subject to the terms of Cigna's Securities Transactions and Insider Trading Policy, and Cigna reserves the right, for any reason at any time, to suspend or delay action on any request you make to exercise the Option or sell the Shares. To comply with legal requirements, Cigna may restrict the method by which you exercise the Option.

(b) If, because of limitations imposed by applicable law, you cannot exercise the Option before it expires, then the Option will not expire on the date described in paragraph 4. Instead, the Option Period will be extended temporarily until the earlier of (1) ten business days after the first date on which the Option again becomes exercisable without the limitations or (2) 5:00 p.m. Philadelphia time on the Expiration Date.

(c) To exercise all or part of the Option, you must (1) complete and submit any required Option exercise form or electronic exercise instructions and (2) pay the Option Price and any required tax withholding.

(d) You may pay the Option Price with cash. If you pay with cash, you must also pay any applicable withholding tax liability in cash before Shares will be deposited in your Stock Account or delivered to you.

(e) If you are a Cigna company employee when you exercise the Option, you may pay the Option Price with Shares that are in your Stock Account if:

(1) you first purchased the shares on the open market; or

(2) at least six months have elapsed after the:

(A) grant date, if you received the shares as a grant of unrestricted Shares;

(B) vesting date, if you received them as a grant of Restricted Stock; or

(C) purchase date, if you bought them through a previous option exercise.

You will not be allowed to pay the Option Price with Shares if Cigna in its sole discretion determines that it would risk adverse tax or accounting consequences as a result. If you are not a Cigna company employee when you exercise the Option, or if your beneficiary or estate exercises the Option, the Option Price cannot be paid in shares of stock.

(f) If you pay the Option Price in Shares:

(1) You must exercise the Option for at least 50 Shares.

If there are not at least 50 Shares underlying the Option, you must exercise the Option for all the Shares.

(2) You must pay any applicable tax-withholding obligation.

Cigna reserves the right to withhold from the Shares you purchase enough Shares to meet all or part of any applicable tax-withholding obligation.

If you are an Executive Officer when you exercise the Option, you may satisfy part of the withholding obligation by remitting to Cigna Shares you have owned for at least six months as of the date the withholding obligation arises.

(g) You may pay the Option Price through a cashless exercise of the Option. Cigna reserves the right to change the rules that apply to cashless exercises, or end your ability to do a cashless exercise, at any time.

6. *Book-Entry Shares*

Cigna (or a custodian appointed by Cigna) will hold any Shares you, your beneficiary or estate acquire upon exercise of the Option in book-entry form in a Stock Account. That is, a record of Share ownership will be kept electronically.

7. *Conditions of Grant*

(a) By accepting the grant, you are agreeing:

(1) to the Inventions provision in paragraph 7(b);

(2) to the restrictions contained in the attached Covenant Agreement and in paragraph 7(c)(2) below (such restrictions collectively, the “Promises”);

(3) to **notify Cigna** if you accept an offer to perform services for any individual or entity while you are subject to the non-competition Promise under the Covenant Agreement. Such notice shall be provided by email to noncompete@express-scripts.com within 10 days of your acceptance of the offer and shall identify the individual or entity and your anticipated start date;

(4) to **disclose the terms of the Promises** (including, without limitation, the Promises related to non-solicitation and non-competition) and the consequences of a Violation (as defined below) **to any individual or entity** for whom you perform services during the 12 month period immediately following your Termination; and

(5) not to engage in any activity that would constitute a Violation (as defined below).

You understand and agree that the conditions of the grant set forth in this paragraph 7(a) are a material part of the inducement for Cigna's granting you the Option and essential pre-conditions to your eligibility to exercise any rights associated with the Option and retain any benefit from exercising the Option.

The award of Options pursuant to this Nonqualified Stock Option Grant is expressly conditioned on your acceptance of the terms and conditions of this Option Grant and of the attached Covenant Agreement. If you **decide to accept** this Nonqualified Stock Option Grant, you are accepting and agreeing to all of the terms and conditions of this Option Grant and of the attached Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

You should review the terms of this Option Grant and the Covenant Agreement carefully to ensure that you understand what they say and what your responsibilities and obligations are **before you click on the accept button** to acknowledge and agree to this Option Grant.

(b) ***Inventions***

(1) You hereby assign and promise to assign to Cigna companies or their designee, all your right, title, and interest in and to any and all current and future Inventions. You acknowledge that all original works of authorship which you make (whether alone or jointly with others) within the scope of your Cigna company employment and which are protectable by copyright are "works made for hire," as defined in the United States Copyright Act.

(2) You agree to (i) maintain and make available adequate current records, including electronic records, notes, sketches and drawings, of all Inventions you make, and (ii) disclose such Inventions in writing upon request. These records will remain the property of Cigna companies.

(3) If in the course of your Cigna company employment, you incorporate a Prior Invention into any Cigna company work product, you grant Cigna companies a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to use the Prior Invention as part of or in connection with the work product. Within 45 days after the date of this grant, you agree to notify Cigna Shareholder Services (shareholderservices@Cigna.com) of any Prior Inventions that you are not assigning under this paragraph 7(b).

(4) "Inventions" means any and all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets, or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you have or will solely or jointly conceive, develop, reduce to practice, or fix during your Cigna company employment.

(5) "Prior Inventions" means all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you conceived, developed, reduced to practice or fixed before your Cigna company employment and which belong to you.

(c) ***Violation***

You will engage in a "Violation" if, directly or indirectly, you engage in any willful misconduct as described in paragraph 7(c)(1) below or you break any of the Promises.

(1) **Willful Misconduct**:

(A) You have a Termination initiated by a Cigna company because you engaged in conduct that constitutes a gross violation of Cigna's Code of Ethics and Principles of Conduct or other employment policies.

(B) You do anything else while an employee of any Cigna company that is not discovered by the company until after your Termination and that would, if you had still been employed at the time of the discovery, be reason for your Termination for willful misconduct, as described above.

(2) **Promise to Assist with Patent and Copyright Registrations**:

(A) You Promise that, during your Cigna company employment and after your Termination, you will assist Cigna companies, should they request and at Cigna's expense, to secure their rights (including any copyrights, patents, trademarks or other intellectual property rights) in or relating to the Inventions in any and all countries, including by:

(i) disclosing to Cigna Companies all pertinent information and data; and

(ii) executing all applications, assignments or other instruments necessary to apply for and obtain these rights and assign them to Cigna companies.

(d) (1) If you were an Executive Officer at any time during the 24-month period before the date of a Violation of the Covenant Agreement, the Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(2) If you are in Career Band 6 or higher on your Termination date but <u>not</u> subject to paragraph 7(d)(1) above, Cigna's Restrictive Covenant Review Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(3) Otherwise, Cigna's Senior Human Resources Officer, or his or her designee, will have the sole discretion to waive your obligation to make all or any part of the Payment and to impose conditions on any waiver.

(4) Determinations of the Committee, the Restrictive Covenant Review Committee, or Cigna's Senior Human Resources Officer (or his or her designee), will be final and binding on all parties.

8. ***Consequences of a Violation: Payment to Cigna***

Important: This paragraph 8 is not Cigna's only remedy for a Violation. Cigna may seek any additional legal or equitable remedy, including as described in the Covenant Agreement.

(a) If you engage in any Violation at any time, Cigna will cancel any part of the Option you have not yet exercised.

(b) You must immediately make the Payment described in paragraph 8(c) to Cigna in the manner described in paragraph 8(d) if:

(1) You engage in a Violation of the non-competition or non-solicitation restrictions of the Covenant Agreement; or

(2) You engage in a Violation described in paragraph 7(c)(1) (willful misconduct) or any other Violation (e.g. you disclose Cigna company Confidential Information in violation of the Covenant Agreement) **at any time**.

(c) The Payment requirement applies only to the parts of the Option, if any, that you exercise during the 24-month period prior to the date of your Termination and thereafter. "Payment" means the amount equal to:

(1) the number of Shares you acquire when you exercise the Option;

multiplied by

(2) the excess of (A) the Fair Market Value on the date you exercise the Option over (B) the Option Price;

plus

(3) the total amount of all dividends, if any, paid on those Shares through the date of the Payment.

(d) Cigna will recover the Payment from you by any means permitted by applicable law, at the sole discretion of Cigna management, including but not limited to any or all of the following methods:

(1) If you have any Shares in a Stock Account or in any other account in book-entry form when a Violation occurs, Cigna will take back from you the whole number of Shares that has a total Fair Market Value as of the date of the Violation up to, but not more than, the Payment amount.

(2) Cigna will, to the extent permitted by applicable law, reduce:

(A) The amount of any payments that any Cigna company owes you for any reason (including without limit any payments owed to you under any nonqualified retirement, deferred compensation or other plan or arrangement) by

(B) The Payment amount.

This reduction will not occur until the date a future payment to you is due.

(3) Cigna will send you a written notice and demand for all or part of any Payment amount. Within 30 days after you receive that notice and demand, you must make the Payment to Cigna.

9. *Consequences of a Violation: Designation of Cigna as Agent and Attorney-in-Fact for Inventions*

You agree that:

(a) If Cigna Companies are unable to obtain your signature on any instruments needed to secure their rights in or relating to the Inventions pursuant to paragraph 7(c)(2)(A); then

(b) You hereby appoint Cigna companies and their duly authorized officers as your agents and attorneys in fact to act for and on your behalf to execute and file any documents and take other actions as may be necessary for Cigna companies to secure those rights.

10. ***Agreeing to Assume Risks***

Cigna, its stock plan administrator and its transfer agent will try to process your stock transaction requests in a timely manner; however, Cigna makes no promises or guarantees to you relating to the market price of the Shares or to the time it may take to act on your request to exercise the Option, or sell the Shares. By accepting this Option grant:

(a) You acknowledge that the action you request may not be completed until several days after you submit it.

(b) You agree to assume the risks, including the risk that the market price of the Shares may change, related to delays described in paragraph 10(a):

(1) Between the time you submit an Option exercise form and the time your Option is actually exercised; and

(2) Between the time you ask for any Shares to be sold and the time your Shares are actually sold.

11. ***Applicable Law***

You understand and agree that, except as otherwise provided in the Covenant Agreement, the terms and conditions of this Option Grant and all determinations made under the Nonqualified Stock Option Grant Agreement, the Plan, and these Terms and Conditions will be interpreted under the laws of the State of Delaware, without regard to its conflict of laws rule.

For the avoidance of doubt, the terms and conditions of the Covenant Agreement and all determinations made under the Covenant Agreement will be interpreted under applicable state law as set forth in the Covenant Agreement.

12. ***Arbitration***

Except as otherwise provided in the Covenant Agreement, if you have an agreement with Cigna to arbitrate employment related disputes, you agree to resolve any disputes relating to this Nonqualified Stock Option Grant through arbitration.

13. ***Acceptance***

If you disagree with any of these Terms and Conditions, or the terms and conditions of the Covenant Agreement, YOU MUST NOT ACCEPT THE OPTION GRANT. If you sign the Option grant or the Covenant Agreement, or acknowledge your acceptance electronically or otherwise, you will be:

(a) Agreeing to all the terms and conditions of the Option grant and of the Covenant Agreement, including the Inventions provision in paragraph 7(b) and all of the Promises;

(b) Warranting and representing to Cigna that you are, and will remain, in full compliance with all applicable terms and conditions;

(c) Authorizing Cigna to recover the Payment described in paragraph 8 and to seek any other available remedy pursuant to the Covenant Agreement if you engage in a Violation; and

(d) Appointing Cigna as your agent and attorney-in-fact to secure rights with respect to Inventions if unable to obtain your signature as described in paragraph 9.

Cigna Corporation

Cigna Long-Term Incentive Plan: Restricted Stock Grant Agreement

Cigna Corporation (“Cigna”) has granted you the number of shares of restricted stock of Cigna set forth below in this Restricted Stock Grant Agreement (“Restricted Stock Grant” or “Grant”) under the Cigna Long-Term Incentive Plan (“Plan”). The date of your Restricted Stock Grant (“Grant Date”) and the dates on which your Grant is scheduled to vest (“Vesting Dates”) are also indicated below. The award is subject to the provisions of the Plan and the Terms and Conditions below.
The award of Shares pursuant to this Restricted Stock Grant is **expressly conditioned** on your acceptance of the terms and conditions of this Grant and of the attached Confidentiality, Non-Competition and Non-Solicitation Agreement (or, with respect to Cigna company employment in California, the attached Confidentiality and Non-Solicitation Agreement) (as applicable, the “Covenant Agreement”). You should carefully read all the terms and conditions of this Restricted Stock Grant and the attached Covenant Agreement and be sure you understand what they say and what your responsibilities and obligations are **before you click on the ACCEPT button** to acknowledge and agree to this Grant.

If you are not willing to agree to all of the Grant and Covenant Agreement terms and conditions, **do not accept the Grant and do not click the ACCEPT button** for the Restricted Stock Grant Acknowledgment and Agreement. If you do not accept the Grant, you will not receive the benefits of the Grant.
If you do **click on the ACCEPT button**, you are accepting and agreeing to all of the terms and conditions of this Restricted Stock Grant and the Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

Participant:
Grant Type:
Plan Name: Cigna Long-Term Incentive Plan

Grant Date:
Total Granted:
Grant Price: (USD)

Vesting Schedule: **Please refer to Appendix: Vesting Schedule** on the last page of this document

In addition to this Restricted Stock Grant and the attached Covenant Agreement, you should also read the Plan Document and Key Contacts and Reference Materials document (attached to the Plan) and indicate that you have done so and agree to the terms of all documents attached to this Grant by checking the appropriate box in the online grant acceptance process. The Key Contacts and Reference Materials document contains information on how to get important stock award information (such as the Plan Prospectus, Tax Considerations and Cigna's Securities Transactions and Insider Trading Policy) and whom to contact if you have questions.

Please be aware that the Cigna Securities Transactions and Insider Trading Policy places restrictions on your transactions in Cigna securities and requires certain Cigna employees to obtain advance permission from the Corporate Secretary before executing transactions in Cigna securities.

If you have questions about your award, please contact Cigna Shareholder Services by email at shareholderservices@cigna.com or by phone at 215.761.3516.

Important Notice: Restricted Stock Grant and Covenant Agreement Acknowledgment and Agreement

By clicking on the **ACCEPT** button, I:

Acknowledge and represent to Cigna that I have:

1. received the Restricted Stock Grant, the Terms and Conditions of the Restricted Stock Grant and the Covenant Agreement;
2. read and understand their terms and conditions, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions; and
3. received answers to any questions I had about the Grant, the Terms and Conditions of the Grant and the Covenant Agreement and their respective terms and conditions, including the applicable restrictive covenants.

Scroll down for the TERMS AND CONDITIONS of the Restricted Stock Grant.

TERMS AND CONDITIONS OF YOUR [YEAR]
RESTRICTED STOCK GRANT

These Terms and Conditions are an important part of your grant of Restricted Stock from Cigna Corporation (Cigna). The terms of your Restricted Stock grant are in: (a) the electronic Restricted Stock Grant Agreement above, (b) these Terms and Conditions, (c) the Covenant Agreement and (d) the applicable Plan provisions.

Certain words in this document with first letters capitalized are defined in the Restricted Stock Grant Agreement above, these Terms and Conditions or Article 2 of the Plan. This grant is void if you are not an employee of Cigna or a Subsidiary (a Cigna company) on the Grant Date.

1. ***Restricted Stock; Restrictions***

Shares of Restricted Stock (Shares) are regular shares of Cigna Common Stock, but they are subject to certain Restrictions. The Restrictions are:

(a) You cannot sell or transfer the Shares to anyone during the Restricted Period; and

(b) Unless an exception applies, you will forfeit (lose your right to) the Shares if you have a Termination during the Restricted Period.

Article 7 of the Plan describes these Restrictions in more detail. In addition, you must also comply with all the other terms and conditions of this grant and the Covenant Agreement.

2. ***Restricted Period; Vesting***

The Restricted Period starts on the Grant Date and ends on the Vesting Date. The Restrictions on the Shares will end (your Shares will vest) on the applicable Vesting Date only if you remain continuously employed by a Cigna company from the Grant Date to the applicable Vesting Date and comply with all the terms and conditions of this grant and the Covenant Agreement.

Your Shares will vest in accordance with the Vesting Schedule set forth on the Appendix to this Restricted Stock Grant Agreement. Your vesting date may be earlier than the Vesting Date(s) shown on the Appendix (see paragraph 3).

Unless otherwise determined by the Committee or its designee, your Shares will vest on the applicable Vesting Date if you are on a leave of absence on such date.

3. ***Early or Continued Vesting***

In certain situations your vesting date may be earlier than the Vesting Dates described in the Appendix or your Shares will continue to vest after your Termination date:

(a) The Shares will vest upon your Termination if it is a Termination Upon a Change of Control or is due to your death or Disability. Whether there is a Termination Upon a Change of Control for purposes of this Restricted Stock grant is determined by reference to a Change of Control (as defined in the Plan) of the entity issuing this grant (Cigna Corporation) and not by reference to a Change of Control of any predecessor entity of Cigna Corporation.

(b) The Shares *may continue* to vest following your Termination if:

(1) It is due to your Early Retirement or Retirement;

(2) The date of Termination due to your Early Retirement or Retirement is at least six (6) months after the Grant Date, provided that this requirement may be waived by (i) Cigna's Senior Human Resources Officer in certain limited and unanticipated circumstances, or (ii) with respect to the CEO or any executive officer who is subject to the requirements of Section 16(a) of the Exchange Act ("Executive Officer"), the Committee;

(3) You will not be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement);

(4) You continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period; and

(5) The Committee or its designee (including Cigna's Senior Human Resources Officer) approves the continued vesting before your Termination.

If you want to be considered for continued vesting when you retire, you must ask your manager or human resources representative far enough in advance of your retirement so there is time to process your request.

A Termination resulting from a Cigna divestiture, outsourcing or other business transaction where you become employed by the buyer, vendor or other entity involved in the transaction will not constitute a Retirement or Early Retirement under this paragraph 3(b).

(c) If your Termination is an Involuntary Termination, you will continue to vest in the Shares for a period of twelve (12) months following the date of your Involuntary Termination as if you had remained employed for such twelve (12) month period. For example, if the date of your Involuntary Termination is June 1, 2021 you will vest in any Shares scheduled to vest on or before June 1, 2022 on the otherwise scheduled Vesting Date.

The continued vesting described in this paragraph 3(c) is subject to (and contingent upon) your ongoing compliance with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

(d) Except with respect to the CEO or any Executive Officer, if approved by Cigna's Senior Human Resources Officer, or his or her designee, before your Termination, your Shares *may continue* to vest following your Termination if you (1) continue to provide services to Cigna as a consultant or contractor under the terms of an agreement and release between you and Cigna, and (2) continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

The continued vesting period, if any, under this paragraph 3(d) shall be equal to the period of your continued services to Cigna as a consultant or contractor under the terms of an agreement and release.

(e) For avoidance of doubt, the continued vesting described in paragraphs 3(b), 3(c) and 3(d) above is expressly subject to (and contingent upon) your ongoing compliance with the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period. If a Violation (as defined below) occurs or is discovered following your Termination, then, in addition to any other remedies available to Cigna under this Restricted Stock Grant or the Covenant Agreement, any then unvested Shares shall be immediately and automatically forfeited.

4. *Voting Rights; Dividends*

(a) You have the right to vote the Shares. If you forfeit a Share, you will also forfeit the right to vote the Share.

(b) You have the right to receive dividends on the Shares. Dividends paid on the Shares during the Restricted Period will be held by Cigna. Subject to the forfeiture provisions of paragraph 4(c), your right to receive accumulated dividends on a Share will vest on the scheduled Vesting Date for the Share described in the Appendix (Scheduled Vesting Date). Once a Share vests, your right to future dividends on the Share, and the method of payment, will be the same as for any other Cigna shareholder.

(c) If you forfeit a Share, you will also forfeit the right to any accumulated and future dividends related to the Share. Even if you do not forfeit a Share, you will forfeit the right to any accumulated dividends on the Share if you have a Termination before the Scheduled Vesting Date for a Share (even if the Share vests under paragraph 3).

(d) Vested accumulated dividends, less applicable taxes withheld, will be paid to you in a lump sum within 70 days after the Scheduled Vesting Date. Cigna will not pay any interest on the accumulated dividends.

5. *Taxes at Vesting*

When the Shares vest, you must satisfy any required tax withholding obligation. Cigna reserves the right to withhold enough newly-vested Shares to cover all or part of any applicable tax withholding. However, if section 83(b) of the U.S. Internal Revenue Code of 1986, as amended, applies to you and you make a timely election under that provision, you must make an immediate cash payment to satisfy any required tax withholding obligation.

6. *Book-Entry Shares; Sale of Shares*

(a) Cigna (or a custodian appointed by Cigna) will hold your Shares before and after vesting in book-entry form in a Stock Account. That is, a record of your Share ownership will be kept electronically.

(b) You may generally sell or transfer vested Shares at any time, but your right to sell the Shares after they vest may be limited by Cigna. This right is subject to the terms of Cigna's Securities Transactions and Insider Trading Policy, and Cigna reserves the right, for any reason at any time, to suspend or delay action on any request you make to sell the Shares.

7. *Conditions of Grant*

(a) By accepting the grant, you are agreeing:

(1) to the Inventions provision in paragraph 7(b);

(2) to the restrictions contained in the attached Covenant Agreement and in paragraph 7(c)(2) below (such restrictions collectively, the “Promises”);

(3) to **notify Cigna** if you accept an offer to perform services for any individual or entity while you are subject to the non-competition Promise under the Covenant Agreement. Such notice shall be provided by email to noncompete@express-scripts.com within 10 days of your acceptance of the offer and shall identify the individual or entity and your anticipated start date;

(4) to **disclose the terms of the Promises** (including, without limitation, the Promises related to non-solicitation and non-competition) and the consequences of a Violation **to any individual or entity** for whom you perform services during the 12 month period immediately following your Termination; and

(5) not to engage in any activity that would constitute a Violation (as defined below).

You understand and agree that the conditions of the grant set forth in this paragraph 7(a) are a material part of the inducement for Cigna's granting you the Shares and essential pre-conditions to your eligibility to exercise any rights associated with the Shares and retain any benefit from the vesting of the Shares.

The award of Shares pursuant to this Restricted Stock Grant is expressly conditioned on your acceptance of the terms and conditions of this Grant and of the attached Covenant Agreement. If you **decide to accept** this Restricted Stock Grant, you are accepting and agreeing to all of the terms and conditions of this Grant and of the attached Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

You should review the terms of this Grant and the Covenant Agreement carefully to ensure that you understand what they say and what your responsibilities and obligations are **before you click on the accept button** to acknowledge and agree to this Grant.

(b) ***Inventions***

(1) You hereby assign and promise to assign to Cigna companies or their designee, all your right, title, and interest in and to any and all current and future Inventions. You acknowledge that all original works of authorship which you make (whether alone or jointly with others) within the scope of your Cigna company employment and which are protectable by copyright are “works made for hire,” as defined in the United States Copyright Act.

(2) You agree to (i) maintain and make available adequate current records, including electronic records, notes, sketches and drawings, of all Inventions you make, and (ii) disclose such Inventions in writing upon request. These records will remain the property of Cigna companies.

(3) If in the course of your Cigna company employment, you incorporate a Prior Invention into any Cigna company work product, you grant Cigna companies a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to use the Prior Invention as part of or in connection with the work product. Within 45 days after the date of this grant, you agree to notify Cigna Shareholder Services (shareholderservices@Cigna.com) of any Prior Inventions that you are not assigning under this paragraph 7(b).

(4) “Inventions” means any and all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets, or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company’s current or proposed business, work products or research and development which you have or will

solely or jointly conceive, develop, reduce to practice, or fix during your Cigna company employment.

(5) "Prior Inventions" means all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you conceived, developed, reduced to practice or fixed before your Cigna company employment and which belong to you.

(c) ***Violation***

You will engage in a "Violation" if, directly or indirectly, you engage in any willful misconduct as described in paragraph 7(c)(1) below, or you break any of the Promises.

(1) **Willful Misconduct**:

(A) You have a Termination initiated by a Cigna company because you engaged in conduct that constitutes a gross violation of Cigna's Code of Ethics and Principles of Conduct or other employment policies.

(B) You do anything else while an employee of any Cigna company that is not discovered by the company until after your Termination and that would, if you had still been employed at the time of the discovery, be reason for your Termination for willful misconduct, as described above.

(2) **Promise to Assist with Patent and Copyright Registrations**:

(A) You Promise that, during your Cigna company employment and after your Termination, you will assist Cigna companies, should they request and at Cigna's expense, to secure their rights (including any copyrights, patents, trademarks or other intellectual property rights) in or relating to the Inventions in any and all countries, including by:

(i) disclosing to Cigna companies all pertinent information and data; and

(ii) executing all applications, assignments or other instruments necessary to apply for and obtain these rights and assign them to Cigna companies.

(d) (1) If you were an Executive Officer at any time during the 24-month period before the date of a Violation of the Covenant Agreement, the Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(2) If you are in Career Band 6 or higher on your Termination date but <u>not</u> subject to paragraph 7(d)(1) above, Cigna's Restrictive Covenant Review Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(3) Otherwise, Cigna's Senior Human Resources Officer, or his or her designee, will have the sole discretion to waive your obligation to make all or any part of the Payment and to impose conditions on any waiver.

(4) Determinations of the Committee, the Restrictive Covenant Review Committee, or Cigna's Senior Human Resources Officer (or his or her designee), will be final and binding on all parties.

8. ***Consequences of a Violation: Payment to Cigna***

Important: This paragraph 8 is not Cigna's only remedy for a Violation. Cigna may seek any additional legal or equitable remedy, including as described in the Covenant Agreement.

(a) You will immediately forfeit all unvested Shares if you engage in any Violation at any time.

(b) You must immediately make the Payment described in paragraph 8(c) to Cigna in the manner described in paragraph 8(d) if:

(1) You engage in a Violation of the non-competition or non-solicitation restrictions of the Covenant Agreement; or

(2) You engage in a Violation described in paragraph 7(c)(1) (willful misconduct) or any other Violation (e.g. you disclose Cigna company Confidential Information in violation of the Covenant Agreement) **at any time**.

(c) "Payment" is the value you realize from any Shares that vest during the 12-month period prior to the date of your Termination and thereafter. The Payment will equal:

(1) The number of Shares that vest during the applicable period;

multiplied by

(2) The Fair Market Value of those Shares on their Vesting Date;

plus

(3) The total amount of all dividends, if any, paid to you on those Shares through the date of the Payment.

(d) Cigna will recover the Payment from you by any means permitted by applicable law, at the sole discretion of Cigna management, including but not limited to any or all of the following methods:

(1) If you have any Shares in a Stock Account or in any other account in book-entry form when a Violation occurs, Cigna will take back from you the whole number of Shares that has a total Fair Market Value as of the date of the Violation up to, but not more than, the Payment amount.

(2) Cigna will, to the extent permitted by applicable law, reduce:

(A) The amount of any payments that any Cigna company owes you for any reason (including without limit any payments owed to you under any nonqualified retirement, deferred compensation or other plan or arrangement) by

(B) The Payment amount.

This reduction will not occur until the date a future payment to you is due.

(3) Cigna will send you a written notice and demand for all or part of any Payment amount. Within 30 days after you receive that notice and demand, you must make the Payment to Cigna.

9. ***Consequences of a Violation: Designation of Cigna as Agent and Attorney-in-Fact for Inventions***

You agree that:

(a) If Cigna Companies are unable to obtain your signature on any instruments needed to secure their rights in or relating to the Inventions pursuant to paragraph 7(c)(2)(A); then

(b) You hereby appoint Cigna companies and their duly authorized officers as your agents and attorneys in fact to act for and on your behalf to execute and file any documents and take other actions as may be necessary for Cigna companies to secure those rights.

10. ***Agreeing to Assume Risks***

Cigna, its stock plan administrator and its transfer agent will try to process your stock transaction requests in a timely manner; however, Cigna makes no promises or guarantees to you relating to the market price of the Shares or to the time it may take to act on your request to sell the Shares. By accepting this Restricted Stock grant:

(a) You acknowledge that the action you request may not be completed until several days after you submit it.

(b) You agree to assume the risks, including the risk that the market price of the Shares may change, related to delays described in paragraph 10(a) between the time you ask for any Shares to be sold and the time your Shares are actually sold.

11. ***Applicable Law***

You understand and agree that, except as otherwise provided in the Covenant Agreement, the terms and conditions of this Restricted Stock Grant and all determinations made under the Restricted Stock Grant Agreement, the Plan, and these Terms and Conditions will be interpreted under the laws of the State of Delaware, without regard to its conflict of laws rule.

For the avoidance of doubt, the terms and conditions of the Covenant Agreement and all determinations made under the Covenant Agreement will be interpreted under applicable state law as set forth in the Covenant Agreement.

12. ***Arbitration***

Except as otherwise provided in the Covenant Agreement, if you have an agreement with Cigna to arbitrate employment-related disputes, you agree to resolve any disputes relating to this Restricted Stock Grant through arbitration.

13. ***Acceptance***

If you disagree with any of these Terms and Conditions or the terms and conditions of the Covenant Agreement, YOU MUST NOT ACCEPT THE RESTRICTED STOCK GRANT. If you sign the Restricted Stock Grant or the Covenant Agreement, or acknowledge your acceptance electronically or otherwise, you will be:

(a) Agreeing to all the terms and conditions of the Restricted Stock Grant and of the Covenant Agreement, including the Inventions provision in paragraph 7(b) and all of the Promises;

(b) Warranting and representing to Cigna that you are, and will remain, in full compliance with all applicable terms and conditions;

(c) Authorizing Cigna to recover the Payment described in paragraph 8 and to seek any other available remedy pursuant to the Covenant Agreement, if you engage in a Violation; and

(d) Appointing Cigna as your agent and attorney-in-fact to secure rights with respect to Inventions if unable to obtain your signature as described in paragraph 9.

[Year] US RSG Grant Agreement including Terms and Conditions

Exhibit 10.4

Cigna Corporation

Cigna Long-Term Incentive Plan: Restricted Stock Unit Grant Agreement

Cigna Corporation ("Cigna") has granted you the number of restricted stock units of Cigna set forth below in this Restricted Stock Unit Grant Agreement ("Restricted Stock Unit Grant" or "Grant") under the Cigna Long-Term Incentive Plan ("Plan"). The date of your Restricted Stock Unit Grant ("Grant Date") and the dates on which your Grant is scheduled to vest ("Vesting Dates") are also indicated below. The award is subject to the provisions of the Plan and the Terms and Conditions below.

The award of Units pursuant to this Restricted Stock Unit Grant is **expressly conditioned** on your acceptance of the terms and conditions of this Grant and of the attached Confidentiality, Non-Competition and Non-Solicitation Agreement (the "Covenant Agreement"). You should carefully read all the terms and conditions of this Restricted Stock Unit Grant and the attached Covenant Agreement and be sure you understand what they say and what your responsibilities and obligations are **before you click on the ACCEPT button** to acknowledge and agree to this Grant.

If you are not willing to agree to all of the Grant and Covenant Agreement terms and conditions, **do not accept the Grant and do not click the ACCEPT button** for the Restricted Stock Unit Grant Acknowledgment and Agreement. If you do not accept the Grant, you will not receive the benefits of the Grant.

If you do **click on the ACCEPT button**, you are accepting and agreeing to all of the terms and conditions of this Restricted Stock Unit Grant and the Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

Participant:
Grant Type:
Plan Name: Cigna Long-Term Incentive Plan

Grant Date:
Total Granted:
Grant Price: (USD)

Vesting Schedule: Please refer to Appendix: Vesting Schedule on the last page of this document

In addition to this Restricted Stock Unit Grant and the attached Covenant Agreement, you should also read the Plan Document and Key Contacts and Reference Materials document (attached to the Plan) and indicate that you have done so and agree to the terms of all documents attached to this Grant by checking the appropriate box in the online grant acceptance process. The Key Contacts and Reference Materials document contains information on how to get important stock award information (such as the Plan Prospectus, Tax Considerations and Cigna's Securities Transactions and Insider Trading Policy) and whom to contact if you have questions.

Please be aware that the Cigna Securities Transactions and Insider Trading Policy places restrictions on your transactions in Cigna securities and requires certain Cigna employees to obtain advance permission from the Corporate Secretary before executing transactions in Cigna securities.

If you have questions about your award, please contact Cigna Shareholder Services by email at shareholderservices@cigna.com or by phone at 215.761.3516.

Exhibit 10.4

Important Notice: Restricted Stock Unit Grant and Covenant Agreement Acknowledgment and Agreement

By clicking on the ACCEPT button, I:
Acknowledge and represent to Cigna that I have:

1. received the Restricted Stock Unit Grant, the Terms and Conditions of the Restricted Stock Unit Grant and the Covenant Agreement;
2. read and understand their terms and conditions, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions; and
3. received answers to any questions I had about the Grant, the Terms and Conditions of the Grant and the Covenant Agreement and their respective terms and conditions, including the applicable restrictive covenants.

Scroll down for the TERMS AND CONDITIONS of the Restricted Stock Unit Grant.

TERMS AND CONDITIONS OF YOUR [YEAR]
RESTRICTED STOCK UNIT GRANT -- GLOBAL

These Terms and Conditions are an important part of your grant of Restricted Stock Units from Cigna Corporation (Cigna). The terms of your Restricted Stock Unit grant are in: (a) the electronic Restricted Stock Unit Grant Agreement above, (b) these Terms and Conditions (including the Addendum), (c) the Covenant Agreement and (d) the Cigna Long-Term Incentive Plan (Plan).

Certain words in this document with first letters capitalized are defined in the Restricted Stock Unit Grant Agreement above, these Terms and Conditions or Article 2 of the Plan. For purposes of these Terms and Conditions, "Employer" means Cigna or a Subsidiary that employs you on the applicable date. This grant is void if you are not an employee of Cigna or a Subsidiary (a Cigna company) on the Grant Date.

1. *Restricted Stock Units; Restrictions*

Each Restricted Stock Unit (Unit) is a conditional right to receive:

(a) One share of Cigna Common Stock (Share); and

(b) One associated Dividend Equivalent Right (described in the Plan and paragraph 4 below).

Units are subject to certain Restrictions from the grant date until the applicable Payment Date described in paragraph 3. The Restrictions are:

(c) You cannot sell or transfer the Units to anyone; and

(d) Unless an early vesting exception applies (described in paragraph 3), you will forfeit (lose your right to) your unvested Units and all related rights (including the right to Dividend Equivalent payments) immediately upon your Termination.

In addition to these Restrictions, you must also comply with all the terms and conditions of this grant and the Covenant Agreement

2. *Vesting; Continued Vesting*

(a) Except as described in paragraph 2(b) and subject to paragraph 2(c), the Restrictions on the Units will end (your Units will vest) on the applicable Payment Date described in the Appendix, but only if you remain continuously employed by a Cigna company until the applicable Payment Date and comply with all the terms and conditions of this grant and the Covenant Agreement.

(b) Notwithstanding paragraph 2(a) and subject to paragraph 2(c), if your Termination is before an applicable Payment Date:

(1) Your Units will vest upon your Termination if it is Upon a Change of Control or due to your death or Disability;

Whether there is a Termination Upon a Change of Control for purposes of this Restricted Stock Unit grant is determined by reference to a Change of Control (as defined in the Plan) of the entity issuing this grant (Cigna Corporation) and not by reference to a Change of Control of any predecessor entity of Cigna Corporation.

(2) Your Units *may continue* to vest following your Termination due to your Early Retirement or Retirement if:

(i) The date of Termination due to your Early Retirement or Retirement is at least six (6) months after the Grant Date, provided that this requirement may be waived by (i) Cigna's Senior Human Resources Officer in certain limited and unanticipated circumstances, or (ii) with respect to the CEO or any executive officer who is subject to the requirements of Section 16(a) of the Exchange Act ("Executive Officer"), the Committee;

(ii) You will not be receiving severance pay from any Cigna company (whether under any severance benefit plan or any contract, agreement or arrangement);

(iii) You continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period; and

(iv) The Committee or its designee (including Cigna's Senior Human Resources Officer) approves the continued vesting before your Termination.

If you want to be considered for continued vesting when you retire, you must ask your manager or human resources representative far enough in advance of your retirement so there is time to process your request. A Termination resulting from a Cigna divestiture, outsourcing or other business transaction where you become employed by the buyer, vendor or other entity involved in the transaction will not constitute a Retirement or Early Retirement under this paragraph 2(b)(2).

(3) If your Termination is an Involuntary Termination, you *will continue* to vest in the Units for a period of twelve (12) months following the date of your Involuntary Termination as if you had remained employed for such twelve (12) month period. For example, if the date of your Involuntary Termination is June 1, 2021 you will vest in any Units scheduled to vest on or before June 1, 2022 on the otherwise scheduled Payment Date.

The continued vesting described in this paragraph 2(b)(3) is subject to (and contingent upon) your ongoing compliance with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

(4) Except with respect to the CEO or any Executive Officer, if approved by Cigna's Senior Human Resources Officer, or his or her designee, before your Termination, your Units *may continue* to vest following your Termination if you (1) continue to provide services to Cigna as a consultant or contractor under the terms of an agreement and release between you and Cigna, and (2) continue to comply with the terms and conditions of the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period.

The continued vesting period, if any, under this paragraph 2(b)(4) shall be equal to the period of your continued services to Cigna as a consultant or contractor under the terms of an agreement and release.

(5) For avoidance of doubt, the continued vesting described in paragraphs 2(b)(2), 2(b)(3) and 2(b)(4) above is expressly subject to (and contingent upon) your ongoing compliance with the Covenant Agreement and any other restrictive covenant agreement(s) applicable to you during the continued vesting period. If a Violation (as defined below) occurs or is discovered following your Termination, then, in addition to any other remedies available to Cigna under this Grant or the Covenant Agreement, any then unvested Units shall be immediately and automatically forfeited.

(c) You must comply in all respects with the terms and conditions of this grant and the Covenant Agreement.

(d) If you are resident or employed in a country that is a member of the European Union, the grant of the Units, these Terms and Conditions and the Covenant Agreement are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of these Terms and Conditions and the Covenant Agreement is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, Cigna, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

3. *Payment*

(a) You have three separate Payment Dates under this grant as shown on the Vesting Schedule set forth on the Appendix to this Restricted Stock Unit Grant Agreement.

(b) Any Units that vest on account of your Termination due to death or Disability will be paid during the 90 day period immediately following your Termination due to death or Disability. In the event of your death, payment will be made to your surviving spouse or, if you have no surviving spouse when you die, to your estate, unless otherwise provided under applicable law.

(c) Any Units that vest on account of your Termination Upon a Change of Control will be paid during the 30 day period immediately following your Termination Upon a Change of Control, *provided that* the applicable Change of Control is a "change in control event" under Code Section 409A.

If the applicable Change of Control is not a "change in control event" under Code Section 409A, your vested Units will be paid on the Payment Dates specified in paragraph 3(a) above.

(d) For each Unit that vests, Cigna will make payment by issuing one Share as of the applicable Payment Date. Until the Shares are issued to you, you will not be a Cigna shareholder, not have the right to vote the Shares, and not receive actual dividends.

4. *Dividend Equivalent Rights*

(a) Subject to the forfeiture provisions of this paragraph, your right to receive payments for Dividend Equivalent Rights associated with a Unit will vest on the scheduled Payment Date for the Unit described in the Appendix (Scheduled Payment Date). If you forfeit a Unit, you will forfeit the right to any Dividend Equivalent Rights payments associated with the Unit. You will also forfeit the right to any Dividend Equivalent Rights payments associated with a Unit if you have a Termination before the Scheduled Payment Date for the Unit (even if the Unit vests under paragraph 2).

(b) Cigna or a Subsidiary will make a lump sum cash payment to you for vested Dividend Equivalent Rights within 70 days after the Scheduled Payment Date. The payment will equal (1) the number of Dividend Equivalent Rights that vested on the Scheduled Payment Date multiplied by (2) the amount of any dividends declared by Cigna's Board and paid on one Share as to any dividend record dates that occur between the date of grant and the Scheduled Payment Date. No interest will be paid on any Dividend Equivalent Rights payments. The payments, less applicable taxes withheld, may be included in your regular paycheck or direct deposit.

5. *Tax Withholding*

(a) Section 17.7 of the Plan shall apply to any Tax-Related Items (as defined below) pertaining to the Units, the Shares issued in settlement of the Units or any Dividend Equivalent Rights that Cigna and/or your Employer are required to withhold under applicable local law. Upon the vesting or payment of any Unit or part of a Unit, Cigna reserves the right to satisfy any liability for Tax-Related Items by withholding enough newly-issued Shares to cover all or part of the applicable liability for Tax-Related Items.

(b) Regardless of any action Cigna and/or your Employer take with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related withholding (Tax-Related Items), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility. Cigna and/or your Employer:

(1) Make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units (including the grant of the Units, the vesting of the Units, the payment of the Units the subsequent sale of any Shares acquired pursuant to the Units, and the receipt of any dividends or dividend equivalents);

(2) Do not commit to structure the terms of the grant or any aspect of the Units to reduce or eliminate your liability for Tax-Related Items; and

(3) May be required to withhold or account for Tax-Related Items in more than one jurisdiction if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event.

If your country of residence (and/or your country of employment, if different) requires withholding of Tax-Related Items, Cigna shall satisfy any applicable withholding obligation as described in paragraph 5(a). In the event that withholding in Shares is prohibited or problematic under applicable law or otherwise may trigger adverse consequences to Cigna or your Employer, your Employer may withhold Tax-Related Items required to be withheld in cash from your regular salary and/or wages, or other amounts payable to you. By accepting the Units, you expressly consent to the withholding of applicable Tax-Related Items as provided for hereunder. You agree to pay Cigna or your Employer any amount of Tax-Related Items that Cigna or your Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means described above. All other Tax-Related Items related to the Units and any Shares acquired pursuant to the Units are your sole responsibility.

6. ***Book-Entry Shares; Sale of Shares***

(a) Upon payment of the Shares as described in paragraph 2, Cigna (or a custodian appointed by Cigna) will hold your Shares in book-entry form in a Stock Account. That is, a record of your Share ownership will be kept electronically.

(b) You may generally sell or transfer the Shares at any time, but your right to sell the Shares may be limited by Cigna. This right is subject to the terms of Cigna's Securities Transactions and Insider Trading Policy, and Cigna reserves the right, for any reason at any time, to suspend or delay action on any request you make to sell the Shares.

7. *Conditions of Grant*

(a) By accepting the grant, you are agreeing:

(1) to the Inventions provision in paragraph 7(b);

(2) to the restrictions contained in the attached Covenant Agreement and in paragraph 7(c)(2) below (such restrictions collectively, the "Promises");

(3) to **notify Cigna** if you accept an offer to perform services for any individual or entity while you are subject to the non-competition Promise under the Covenant Agreement. Such notice shall be provided by email to noncompete@express-scripts.com within 10 days of your acceptance of the offer and shall identify the individual or entity and your anticipated start date;

(4) to **disclose the terms of the Promises** (including, without limitation the Promises related to non-solicitation and non-competition) and the consequences of a Violation (as defined below) **to any individual or entity** for whom you perform services during the 12 month period immediately following your Termination; and

(5) not to engage in any activity that would constitute a Violation (as defined below).

You understand and agree that the conditions of the grant set forth in this paragraph 7(a) are a material part of the inducement for Cigna's granting you the Units and essential pre-conditions to your eligibility to exercise any rights associated with the grant and retain any benefit from the vesting of the Units and issuance of the Shares.

The award of Units pursuant to this Restricted Stock Unit Grant is **expressly conditioned** on your acceptance of the terms and conditions of this Grant and of the attached Covenant Agreement. If you **decide to accept** this Restricted Stock Unit Grant, you are accepting and agreeing to all of the terms and conditions of this Grant and of the attached Covenant Agreement, which include, among other things, restrictive covenants such as non-competition, customer and employee non-solicitation and non-disclosure provisions and litigation cooperation and intellectual property assignment and assistance provisions.

You should review the terms of this Grant and the Covenant Agreement carefully to ensure that you understand what they say and what your responsibilities and obligations are **before you click on the accept button** to acknowledge and agree to this Grant.

(b) ***Inventions***

(1) You hereby assign and promise to assign to Cigna companies or their designee, all your right, title, and interest in and to any and all current and future Inventions. You acknowledge that all original works of authorship which you make (whether alone or jointly with others) within the scope of your Cigna company employment and which are protectable by copyright are "works made for hire," as defined in the United States Copyright Act.

(2) You agree to (i) maintain and make available adequate current records, including electronic records, notes, sketches and drawings, of all Inventions you make, and (ii) disclose such Inventions in writing upon request. These records will remain the property of Cigna companies.

(3) If in the course of your Cigna company employment, you incorporate a Prior Invention into any Cigna company work product, you grant Cigna companies a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to use the Prior Invention as part of or in connection with the work product. Within 45 days after the date of this grant, you agree to notify Cigna

Shareholder Services (shareholderservices@Cigna.com) of any Prior Inventions that you are not assigning under this paragraph 7(b).

(4) "Inventions" means any and all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets, or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you have or will solely or jointly conceive, develop, reduce to practice, or fix during your Cigna company employment.

(5) "Prior Inventions" means all inventions, original works of authorship, developments, concepts, sales methods, improvements, trade secrets or similar intellectual property, whether or not patentable or registrable under copyright or similar laws, that relate to any Cigna company's current or proposed business, work products or research and development which you conceived, developed, reduced to practice or fixed before your Cigna company employment and which belong to you.

(c) ***Violation***

You will engage in a "Violation" if, directly or indirectly, you engage in any willful misconduct as described in paragraph 7(c)(1) below or you break any of the Promises.

(1) **Willful Misconduct**:

(A) You have a Termination initiated by a Cigna company because you engaged in conduct that constitutes a gross violation of Cigna's Code of Ethics and Principles of Conduct or other employment policies.

(B) You do anything else while an employee of any Cigna company that is not discovered by the company until after your Termination and that would, if you had still been employed at the time of the discovery, be reason for your Termination for willful misconduct, as described above.

(2) **Promise to Assist with Patent and Copyright Registrations**:

(A) You Promise that, during your Cigna company employment and after your Termination, you will assist Cigna companies, should they request and at Cigna's expense, to secure their rights (including any copyrights, patents, trademarks or other intellectual property rights) in or relating to the Inventions in any and all countries, including by:

(i) disclosing to Cigna companies all pertinent information and data; and

(ii) executing all applications, assignments or other instruments necessary to apply for and obtain these rights and assign them to Cigna companies.

(d) (1) If you were an Executive Officer at any time during the 24-month period before the date of a Violation of the Covenant Agreement, the Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(2) If you are in Career Band 6 or higher on your Termination date but not subject to paragraph 7(d)(1) above, Cigna's Restrictive Covenant Review Committee will have the sole discretion to waive your obligation to make all or any part of the Payment (described in paragraph 8) and to impose conditions on any waiver.

(3) Otherwise, Cigna's Senior Human Resources Officer, or his or her designee, will have the sole discretion to waive your obligation to make all or any part of the Payment and to impose conditions on any waiver.

(4) Determinations of the Committee, the Restrictive Covenant Review Committee, or Cigna's Senior Human Resources Officer (or his or her designee), will be final and binding on all parties.

8. ***Consequences of a Violation: Payment to Cigna***

Important: This paragraph 8 is not Cigna's only remedy for a Violation. Cigna may seek any additional legal or equitable remedy, including as described in the Covenant Agreement.

(a) If you engage in any Violation at any time:

(1) You will immediately forfeit all unvested Units; and

(2) No payment will be made for any Units that have vested under paragraph 2(b) if a Violation occurs before the applicable Payment Date.

(b) You must immediately make the Payment described in paragraph 8(c) to Cigna in the manner described in paragraph 8(d) if:

(1) You engage in a Violation of the non-competition or non-solicitation restrictions of the Covenant Agreement; or

(2) You engage in a Violation described in paragraph 7(c)(1) (willful misconduct), or any other Violation (e.g. you disclose Cigna company Confidential Information in violation of the Covenant Agreement) **at any time**.

(c) "Payment" is the value you realize from any Units that are paid under paragraph 3 during the 12-month period prior to the date of your Termination and thereafter. The Payment will equal:

(1) The number of Units that are paid during the applicable period;

multiplied by

(2) The Fair Market Value of the Shares issued on the Payment Date for those Units;

plus

(3) The total amount of all Dividend Equivalent Right and actual dividends, if any, paid to you on those Units or Shares through the date of the Payment described in paragraph 8(d).

(d) Cigna will recover the Payment from you by any means permitted by applicable law, at the sole discretion of Cigna management, including but not limited to any or all of the following methods:

(1) If you have any Shares in a Stock Account or in any other account in book-entry form when a Violation occurs, Cigna will take back from you the whole number of Shares that has a total Fair Market Value as of the date of the Violation up to, but not more than, the Payment amount. For purposes of the foregoing, you expressly and explicitly authorize Cigna to issue instructions, on your behalf, to any brokerage firm and/or third party administrator engaged by Cigna to hold your Shares, and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to Cigna.

(2) Cigna will, to the extent permitted by applicable law, reduce:

(A) The amount of any payments that any Cigna company owes you for any reason (including without limit any payments owed to you under any nonqualified retirement, deferred compensation or other plan or arrangement) by

(B) The Payment amount.

This reduction will not occur until the date a future payment to you is due.

(3) Cigna will send you a written notice and demand for all or part of any Payment amount. Within 30 days after you receive that notice and demand, you must make the Payment to Cigna.

9. *Consequences of a Violation: Designation of Cigna as Agent and Attorney-in-Fact for Inventions*

You agree that:

(a) If Cigna Companies are unable to obtain your signature on any instruments needed to secure their rights in or relating to the Inventions pursuant to paragraph 7(c)(2)(A); then

(b) You hereby appoint Cigna companies and their duly authorized officers as your agents and attorneys in fact to act for and on your behalf to execute and file any documents and take other actions as may be necessary for Cigna companies to secure those rights. You agree to execute documents and take other actions as may be necessary under local law to effectuate this appointment.

10. *Agreeing to Assume Risks*

Cigna, its stock plan administrator and its transfer agent will try to process your stock transaction requests in a timely manner; however, Cigna makes no promises or guarantees to you relating to the market price of the Shares or to the time it may take to act on your request to sell the Shares. By accepting this Restricted Stock Unit grant:

(a) You acknowledge that the action you request may not be completed until several days after you submit it.

(b) You agree to assume the risks, including the risk that the market price of the Shares may change, related to delays described in paragraph 10(a) between the time you ask for any Shares to be sold and the time your Shares are actually sold.

11. *Applicable Law*

You understand and agree that, except as otherwise provided in the Covenant Agreement, the terms and conditions of this Restricted Stock Unit Grant and all determinations made under the Restricted Stock Unit Grant Agreement, the Plan, and these Terms and Conditions will be interpreted under the laws of the State of Delaware, without regard to its conflict of laws rule.

For the avoidance of doubt, the terms and conditions of the Covenant Agreement and all determinations made under the Covenant Agreement will be interpreted under applicable law as set forth in the Covenant Agreement.

12. *Arbitration*

Except as otherwise provided in the Covenant Agreement, if you have an agreement with Cigna to arbitrate employment related disputes, you agree to resolve any disputes relating to this Restricted Stock Unit Grant through arbitration.

13. ***Discretionary Nature of Grant; No Vested Rights***

You acknowledge and agree that:

(a) The Plan is established voluntarily by Cigna and is discretionary in nature and may be amended, cancelled, or terminated by Cigna, in its sole discretion, at any time;

(b) The grant of the Units under the Plan is a voluntary one-time benefit and does not create any contractual or other right to receive a future grant of Units or future benefits in lieu of Units.

(c) Future grants, if any, will be at the sole discretion of Cigna, including, but not limited to, the form and timing of any grant, the number of Units granted and the vesting provisions.

(d) Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of your employment with your Employer.

(e) The future value of the Units is unknown, indeterminable, and cannot be predicted with certainty.

(f) No claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from your Termination or by your Violation of any of the terms and conditions of the Covenant Agreement (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or rendering services or the terms of your employment agreement, if any), and in consideration of the grant of the Units to which you are otherwise not entitled, you irrevocably agree never to institute any claim against your Employer, Cigna or any other Subsidiary or Affiliate, waive your ability, if any, to bring any such claim, and releases your Employer, Cigna and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim.

(g) Neither your Employer, Cigna nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Units or of any amounts due to you pursuant to the Units.

(h) The grant of the Units shall not create any employment relationship with Cigna or any of its Subsidiaries or Affiliates. Further, the grant of the Units shall not confer upon you any right of continued employment with your Employer nor limit in any way the right of your Employer to terminate your employment at any time.

14. ***Termination Indemnities***

Your participation in the Plan is voluntary. The value of the Units and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of your employment (and your employment contract, if any). Any grant under the Plan, including the grant of the Units, is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, holiday pay, pension or retirement benefits or similar payments.

15. ***Compliance***

As a condition of the grant of the Units, you agree to:

(a) Repatriate all payments attributable to the Units in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different);

(b) Take any and all actions, and consent to any and all actions taken by Cigna and/or its Subsidiaries, as may be required to allow Cigna and/or its Subsidiaries to comply with local laws, rules and regulations in your country of residence (and country of employment, if different); and

(c) Take any and all actions that may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

16. ***No Public Offering of Securities***

The grant of the Units is not intended to be a public offering of securities in your country of residence (and country of employment, if different). Cigna has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law).

17. ***Insider Trading Laws***

By participating in the Plan, you expressly agree to comply with Cigna's Securities Transactions and Insider Trading Policy and any other of its policies regarding insider trading or personal account dealing applicable to you. Further, you expressly acknowledge and agree that, depending on your country of residence or your broker's, or where the Shares are listed, you may be subject to insider trading restrictions and/or market above laws which may affect your ability to accept, acquire, sell or otherwise dispose of the Shares, rights to the Shares (e.g., the Units) or rights linked to the value of the Shares, during such times you are considered to have, "inside information" or similar types of information regarding Cigna as defined by the laws or regulations in the applicable country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed such information. Furthermore, you may be prohibited from (a) disclosing such information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities (including other employees of Cigna or any of its Subsidiaries or Affiliates). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Cigna policies. You expressly acknowledge and agree that it is your responsibility to comply with any applicable restrictions, and you should consult your personal advisor for additional information on any trading restrictions that may apply to you.

18. ***Electronic Delivery and Acceptance***

Cigna may, in its sole discretion, decide to deliver any documents related to the Units or other awards granted to you under the Plan and the Covenant Agreement by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Cigna or a third party designated by Cigna.

19. ***English Language***

If you are resident outside of the United States, you acknowledge and agree that it is your express intent that the Restricted Stock Unit Grant Agreement, these Terms and Conditions, the Plan, the Covenant Agreement and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Units, be drawn up in English. If you have received these Terms and Conditions, the Plan, the Covenant Agreement or any other documents related to the Units translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

20. ***Addendum***

Notwithstanding any provisions of these Terms and Conditions to the contrary, the Units shall be subject to any special terms and conditions for your country of residence (and country of employment, if different) set forth in an addendum to these Terms and Conditions (an "Addendum"). Further, if you transfer your residence and/or employment to another country reflected in an Addendum to these Terms and Conditions at the time of transfer, the special terms and conditions for such country will apply to you to the extent Cigna determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the award, the Plan and the Covenant Agreement (or Cigna may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). In all circumstances, any applicable Addendum shall constitute part of these Terms and Conditions.

21. ***Additional Requirements***

Cigna reserves the right to impose other requirements on the Units, any Shares acquired pursuant to the Units, and your participation in the Plan, to the extent Cigna determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the award, the Plan and the Covenant Agreement. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

22. ***Data Privacy Consent***

Cigna is located at 900 Cottage Grove Road, Bloomfield, Connecticut 06002, United States of America and grants Units under the Plan to employees of Cigna and its Subsidiaries and Affiliates in its sole discretion. In conjunction with Cigna's grant of the Units under the Plan and its ongoing administration of such awards, Cigna is providing the following information about its data collection, processing and transfer practices. In accepting the grant of the Units, you expressly and explicitly consent to the personal data activities as described herein.

(a) Data Collection, Processing and Usage. Cigna collects, processes and uses your personal data, including your name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in Cigna, and details of all Units or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in your favor, which Cigna receives from you or the Employer. In granting the Units under the Plan, Cigna will collect your personal data for purposes of allocating Shares and implementing, administering and managing the Plan and the terms and conditions of the Covenant Agreement. Cigna's legal basis for the collection, processing and usage of your personal data is your consent.

(b) Stock Plan Administration Service Provider. Cigna transfers your personal data to Fidelity Stock Plan Services, LLC, an independent service provider based in the United States, which assists Cigna with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, Cigna may select a different Stock Plan Administrator and share your personal data with another company that serves in a similar manner. The Stock Plan Administrator will open / maintain an account for you to receive and trade Shares acquired under the Plan.

(c) International Data Transfers. Cigna and the Stock Plan Administrator are based in the United States. You should note that your country of residence may have enacted data privacy laws that are different from the United States. Cigna's legal basis for the transfer of your personal data to the United States is your consent.

(d) Voluntariness and Consequences of Consent Denial or Withdrawal. Your participation in the Plan and your grant of consent is purely voluntary. You may deny or withdraw your consent at any time. If you do not consent, or if you later withdraw your consent, you may be unable to participate in the Plan. This would not affect your existing employment or salary; instead, you merely may forfeit the opportunities associated with the Plan.

(e) Data Subjects Rights. You may have a number of rights under the data privacy laws in your country of residence. For example, your rights may include the right to (i) request access or copies of personal data Cigna processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in your country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of your personal data. To receive clarification regarding your rights or to exercise your rights, you should contact your local human resources department.

23. ***Exchange Control, Foreign Asset/Account and/or Tax Reporting***

You acknowledge that there may be certain exchange control, foreign asset/account and/or tax reporting requirements which may affect your ability to acquire or hold Shares or cash received from participating in the Plan (including the proceeds from the sale of Shares and the receipt of any dividends paid on Shares) in a brokerage or bank account outside your country of residence. You may be required to report such accounts, assets or related transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to your country within a certain time after receipt. You acknowledge that it is your personal responsibility to comply with such regulations and that you should seek personal advice regarding your obligations.

24. ***Acceptance***

If you disagree with any of these Terms and Conditions or the terms and conditions of the Covenant Agreement, YOU MUST NOT ACCEPT THE RESTRICTED STOCK UNIT GRANT. If you sign the Restricted Stock Unit Grant or the Covenant Agreement, or acknowledge your acceptance electronically or otherwise, you will be:

(a) Agreeing to all the terms and conditions of the Restricted Stock Unit grant and of the Covenant Agreement, including the Inventions provision in paragraph 7(b) and all of the Promises;

(b) Warranting and representing to Cigna that you are, and will remain, in full compliance with all applicable terms and conditions;

(c) Authorizing Cigna to recover the Payment described in paragraph 8 and to seek any other available remedy pursuant to the Covenant Agreement if you engage in a Violation; and

(d) Appointing Cigna as your agent and attorney-in-fact to secure rights with respect to Inventions if unable to obtain your signature as described in paragraph 9.

Exhibit 31.1

CERTIFICATION

I, DAVID M. CORDANI, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cigna Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ David M. Cordani
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, BRIAN C. EVANKO, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cigna Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ Brian C. Evanko
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer of
Cigna Corporation pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Quarterly Report on Form 10-Q of Cigna Corporation for the fiscal period ending March 31, 2021 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cigna Corporation.

/s/ David M. Cordani

David M. Cordani
Chief Executive Officer
May 7, 2021

Exhibit 32.2

Certification of Chief Financial Officer of
Cigna Corporation pursuant to 18 U.S.C. Section 1350

I certify that, to the best of my knowledge and belief, the Quarterly Report on Form 10-Q of Cigna Corporation for the fiscal period ending March 31, 2021 (the "Report"):

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cigna Corporation.

/s/ Brian C. Evanko

Brian C. Evanko
Chief Financial Officer
May 7, 2021