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VIA E-MAIL

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: *Concept Release on the U.S. Proxy System (Release Nos. 34-62495; IA-3052; IC-29340; File No. S7-14-10)*

Dear Ms. Murphy:

On behalf of CIGNA Corporation ("CIGNA") I am writing regarding the Concept Release recently published by the Securities and Exchange Commission (the "Commission") to solicit comment on various aspects of the U.S. proxy system. CIGNA appreciates the opportunity to comment on these issues.

CIGNA (NYSE:CI) is a global health services company that is dedicated to helping people improve their health, well-being and sense of security. CIGNA's operating subsidiaries provide an integrated suite of medical, dental, behavioral health, pharmacy and vision care benefits, as well as group life, accident and disability insurance, to more than 46 million people throughout the United States and around the world. At the end of its last fiscal year, CIGNA had 29,300 employees and annual revenues of $18.4 billion.

As a result of increasing shareholder activism and a multitude of regulatory actions that place additional burdens on the proxy system, it is critical that the Commission update its rules, as the Concept Release states, "to promote greater efficiency and transparency in the system and enhance the accuracy and integrity of the shareholder vote." Accordingly, CIGNA urges the Commission to move forward in proposing rulemaking to address the issues discussed below.

Proxy Advisory Firms

As the Concept Release notes, over the past twenty-five years, there has been a considerable increase in the influence of proxy advisory firms. Because many institutional investors and their third-party investment managers (particularly smaller and mid-sized managers) do not have sufficient staff to review and vote on proxy items, they outsource their voting decisions to proxy advisory firms, which frequently apply a one-size-fits-all approach to their voting recommendations. Such an approach does not take into account the facts and circumstances of individual companies and their shareholders. CIGNA, like many companies, is substantially institutionally owned and therefore, the recommendations of proxy advisory firms significantly impact the outcome of matters submitted for shareholder vote.

Despite their significant influence, proxy advisory firms remain largely unregulated and provide limited and varied transparency about their methodologies and decision-making processes. Given their considerable role in the proxy voting process, we believe proxy advisory firms should be subject to more robust oversight and disclosure requirements under the proxy solicitation rules, the rules applicable to investment advisors, and/or new rules akin to those governing credit rating agencies. Moreover, consideration should be given to greater oversight by institutional investors with respect to any delegation, either expressly or implicitly, of their voting rights to a proxy advisory firm.

In order for the voting recommendation process to be fully accurate and transparent, the Commission should require proxy advisory firms to publicly disclose conflicts of interest, proxy voting recommendations and the underlying data, methodology, and rationales, and voting errors. Proxy advisory firms also should be required to disclose if they use models and methodologies that do not take into account the individual facts and circumstances of each issuer with respect to the matters being voted on and whether they have any relationship with a proponent of a shareholder proposal on which they are making a voting recommendation.

In addition, it is important that issuers be given sufficient opportunity to review and provide comment on proxy advisory firm draft reports and voting recommendations. Although some proxy advisory firms provide us a brief period for review of their draft voting recommendations, others do not. In order to ensure that voting recommendations are based on accurate facts, we need to have adequate time to identify any errors in the information on which the voting recommendations are based. Moreover, proxy advisory firms should be required to disclose our response to their recommendations and analysis so that our shareholders have complete information to evaluate the voting recommendations.

Finally, the Concept Release solicits comment as to whether issuers should be required to provide proxy statement information in interactive data format. We strongly believe that the Commission should not require data-tagging for issuer proxy materials as such a requirement would impose burdensome costs on issuers and their shareholders. At the same time, proxy advisory firms would be the primary beneficiaries of a data-tagging requirement as they could use the information to further automate their processes, with shareholders bearing the cost. Moreover, while XBRL was created to promote comparability of quantitative financial information, we do not believe that this is as applicable to proxy statement information where there is much less standardization. Accordingly, the value of data-tagging proxy statements does not justify the cost and burden of preparation.

Proxy Voting by Institutional Securities Lenders

The Concept Release asks whether issuers should be required to publicly disclose specific descriptions of all matters to be voted on in advance of the record date to give institutional securities lenders additional time to recall any of their securities that are lent out prior to a voting record date in order to vote the shares. We believe that such a requirement would be unworkable as issuers often are not able to finalize meeting agendas prior to the record date due to a variety of factors such as board deliberations, pending Commission staff review of shareholder proposal no-action requests and/or ongoing negotiations with proponents of shareholder proposals.

CIGNA is listed on the New York Stock Exchange, and the Exchange already requires us to provide notice to the Exchange of our record and meeting dates and a general description of the matters to be voted on ten days prior to the record date for the meeting, but this notice is not publicly available. If the Commission wishes to provide additional notice to institutional securities lenders of the matters to be voted on at the meeting, the Commission could simply require that this notice be made public and perhaps extend the requirement to issuers not listed on the New York Stock Exchange. However, because issuers may not know with certainty all matters to be voted on at the meeting, if the Commission adopts a requirement that issuers must publicly disclose descriptions of all matters to be voted on in advance of the record date, it is important that issuers be permitted to revise their meeting agendas after the record date.

Communications and Shareholder Participation

We believe it is critical for issuers to have the ability to communicate with all their shareholders through a proxy system that is accurate, cost-effective and efficient. Under the current system, issuers have little or no control over the proxy distribution process when it comes to their street name holders. Companies seeking to encourage voting participation by street name holders are unable to do so without using a circuitous and expensive process that is controlled primarily by one service provider. We therefore support the Commission's consideration of possible alternatives that would open proxy distribution services to free market competition—potentially providing a more efficient and cost-effective way for issuers to

communicate directly with their shareholders. In this regard, we support consideration of separating the functions of beneficial ownership data aggregation from proxy distribution and vote tabulation to provide issuers with the opportunity to select a proxy distribution provider of their own choosing. Such separation of services would cause prices to be established through open market competition among service providers and not through a fee schedule established by regulators as is currently the case.

Voting Ownership and Economic Interest

We believe the Commission should take steps to address hedging strategies and share lending practices that decouple voting power from economic interest. Some holders of short or hedged positions may have no interest in seeing an issuer's share price increase, or may even profit from a decline in the share price. Accordingly, the decoupling of rights creates the potential for investors manipulating the proxy voting process, and the lack of disclosure about the economic interest such investors have leaves issuers with no ability to adjust their voting and solicitation strategies to protect share value. To address these concerns, we believe the Commission should require investors who hold voting power that is decoupled from an economic interest to provide greater disclosure about their voting ownership and the nature of their economic interest in an issuer.

Moreover, the Commission should amend its rules to accommodate new state laws that permit issuers to implement separate record dates for determining which shareholders are entitled to notice of an upcoming meeting and which shareholders are entitled to vote. A dual record date system would reduce some of the concerns relating to decoupling voting power from economic interest, as it would increase the likelihood that as of the meeting date, the investors who are entitled to vote will still have an economic interest in the issuer.

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Thank you for the opportunity to comment on these important issues.

Sincerely,

Carol Ann Petren
Executive Vice President,
General Counsel
and Corporate Secretary
CIGNA Corporation