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 September 30, 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 October 29, 2021, 331,427,775 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 September 30,		Unaudited Nine Months Ended September 30,	
(In millions, except per share amounts)	**2021**	**2020**	**2021**	**2020**
Revenues				
Pharmacy revenues	**$ 31,013**	$ 27,802	**$ 89,085**	$ 79,464
Premiums	**10,275**	10,682	**30,812**	31,928
Fees and other revenues	**2,532**	2,174	**7,324**	6,424
Net investment income	**468**	297	**1,169**	873
TOTAL REVENUES	**44,288**	40,955	**128,390**	118,689
Benefits and expenses				
Pharmacy and other service costs	**30,070**	26,624	**86,306**	76,425
Medical costs and other benefit expenses	**8,330**	8,429	**24,819**	23,863
Selling, general and administrative expenses	**3,093**	3,301	**9,368**	10,106
Amortization of acquired intangible assets	**501**	493	**1,499**	1,487
TOTAL BENEFITS AND EXPENSES	**41,994**	38,847	**121,992**	111,881
Income from operations	**2,294**	2,108	**6,398**	6,808
Interest expense and other	**(303)**	(336)	**(915)**	(1,101)
Debt extinguishment costs	**—**	—	**(141)**	(199)
Net realized investment gains (losses)	**68**	32	**128**	(18)
Income before income taxes	**2,059**	1,804	**5,470**	5,490
TOTAL INCOME TAXES	**424**	406	**1,188**	1,143
Net income	**1,635**	1,398	**4,282**	4,347
Less: Net income attributable to noncontrolling interests	**14**	10	**33**	24
SHAREHOLDERS' NET INCOME	**$ 1,621**	$ 1,388	**$ 4,249**	$ 4,323
Shareholders' net income per share				
Basic	**$ 4.84**	$ 3.81	**$ 12.44**	$ 11.77
Diluted	**$ 4.80**	$ 3.78	**$ 12.32**	$ 11.66

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

Cigna Corporation
Consolidated Statements of Comprehensive Income

(In millions)	Unaudited Three Months Ended September 30, 2021	2020	Unaudited Nine Months Ended September 30, 2021	2020
Net income	**$ 1,635**	$ 1,398	**$ 4,282**	$ 4,347
Other comprehensive income (loss), net of tax				
Net unrealized appreciation (depreciation) on securities and derivatives	**32**	120	**(119)**	401
Net translation gains (losses) on foreign currencies	**(125)**	109	**(228)**	4
Postretirement benefits liability adjustment	**16**	14	**49**	(15)
Other comprehensive income (loss), net of tax	**(77)**	243	**(298)**	390
Total comprehensive income	**1,558**	1,641	**3,984**	4,737
Comprehensive income (loss) attributable to noncontrolling interests				
Net income attributable to redeemable noncontrolling interest	**4**	4	**12**	12
Net income attributable to other noncontrolling interests	**10**	6	**21**	12
Other comprehensive (loss) attributable to redeemable noncontrolling interest	**(1)**	(4)	**(6)**	(10)
Total comprehensive income attributable to noncontrolling interests	**13**	6	**27**	14
SHAREHOLDERS' COMPREHENSIVE INCOME	**$ 1,545**	$ 1,635	**$ 3,957**	$ 4,723

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

Cigna Corporation
Consolidated Balance Sheets

(In millions)	Unaudited As of September 30, 2021	As of December 31, 2020
Assets		
Cash and cash equivalents	**$ 3,483**	$ 10,182
Investments	**1,374**	1,331
Accounts receivable, net	**16,250**	12,191
Inventories	**3,020**	3,165
Other current assets	**1,360**	930
Total current assets	**25,487**	27,799
Long-term investments	**23,756**	23,262
Reinsurance recoverables	**5,035**	5,200
Deferred policy acquisition costs	**3,367**	3,385
Property and equipment	**4,070**	4,205
Goodwill	**46,056**	44,648
Other intangible assets	**34,615**	35,179
Other assets	**2,715**	2,687
Separate account assets	**9,150**	9,086
TOTAL ASSETS	**$ 154,251**	$ 155,451
Liabilities		
Current insurance and contractholder liabilities	**$ 5,917**	$ 5,308
Pharmacy and other service costs payable	**14,705**	13,347
Accounts payable	**5,659**	5,478
Accrued expenses and other liabilities	**7,356**	8,515
Short-term debt	**2,703**	3,374
Total current liabilities	**36,340**	36,022
Non-current insurance and contractholder liabilities	**16,576**	16,844
Deferred tax liabilities, net	**8,832**	8,939
Other non-current liabilities	**4,261**	4,629
Long-term debt	**31,609**	29,545
Separate account liabilities	**9,150**	9,086
TOTAL LIABILITIES	**106,768**	105,065
Contingencies — Note 15		
Redeemable noncontrolling interests	**56**	58
Shareholders' equity		
Common stock [(1)]	**4**	4
Additional paid-in capital	**29,077**	28,975
Accumulated other comprehensive loss	**(1,153)**	(861)
Retained earnings	**31,803**	28,575
Less: Treasury stock, at cost	**(12,316)**	(6,372)
TOTAL SHAREHOLDERS' EQUITY	**47,415**	50,321
Other noncontrolling interests	**12**	7
Total equity	**47,427**	50,328
Total liabilities and equity	**$ 154,251**	$ 155,451

(1) Par value per share, $0.01; shares issued, 394 million as of September 30, 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 September 30, 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 June 30, 2021	**$ 4**	**$ 29,403**	**$ (1,077)**	**$ 30,513**	**$ (10,134)**	**$ 48,709**	**$ 7**	**$ 48,716**	**$ 51**
Effects of issuing stock for employee benefits plans		**76**			**(1)**	**75**		**75**	
Other comprehensive (loss)			**(76)**			**(76)**		**(76)**	**(1)**
Net income				**1,621**		**1,621**	**10**	**1,631**	**4**
Common dividends declared (per share: $1.00)				**(331)**		**(331)**		**(331)**	
Repurchase of common stock		**(400)**			**(2,181)**	**(2,581)**		**(2,581)**	
Other transactions impacting noncontrolling interests		**(2)**				**(2)**	**(5)**	**(7)**	**2**
Balance at September 30, 2021	**$ 4**	**$ 29,077**	**$ (1,153)**	**$ 31,803**	**$ (12,316)**	**$ 47,415**	**$ 12**	**$ 47,427**	**$ 56**

Three Months Ended September 30, 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 June 30, 2020	$ 4	$ 28,699	$ (788)	$ 23,052	$ (3,601)	$ 47,366	$ 5	$ 47,371	$ 34
Effect of issuing stock for employee benefit plans		78			(2)	76		76	
Other comprehensive income (loss)			247			247		247	(4)
Net income				1,388		1,388	6	1,394	4
Repurchase of common stock					(1,045)	(1,045)		(1,045)	
Other transactions impacting noncontrolling interests							(4)	(4)	25
Balance at September 30, 2020	$ 4	$ 28,777	$ (541)	$ 24,440	$ (4,648)	$ 48,032	$ 7	$ 48,039	$ 59

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

Nine Months Ended September 30, 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		**507**			**(90)**	**417**		**417**	
Other comprehensive (loss)			**(292)**			**(292)**		**(292)**	**(6)**
Net income				**4,249**		**4,249**	**21**	**4,270**	**12**
Common dividends declared (per share: $3.00)				**(1,021)**		**(1,021)**		**(1,021)**	
Repurchase of common stock		**(400)**			**(5,854)**	**(6,254)**		**(6,254)**	
Other transactions impacting noncontrolling interests		**(5)**				**(5)**	**(16)**	**(21)**	**(8)**
Balance at September 30, 2021	**$ 4**	**$ 29,077**	**$ (1,153)**	**$ 31,803**	**$ (12,316)**	**$ 47,415**	**$ 12**	**$ 47,427**	**$ 56**

Nine Months Ended September 30, 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		471			(86)	385		385	
Other comprehensive income (loss)			400			400		400	(10)
Net income				4,323		4,323	12	4,335	12
Common dividends declared (per share: $0.04)				(15)		(15)		(15)	
Repurchase of common stock					(2,369)	(2,369)		(2,369)	
Other transactions impacting noncontrolling interests							(11)	(11)	22
Balance at September 30, 2020	$ 4	$ 28,777	$ (541)	$ 24,440	$ (4,648)	$ 48,032	$ 7	$ 48,039	$ 59

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

Cigna Corporation
Consolidated Statements of Cash Flows

	Unaudited Nine Months Ended September 30,	
(In millions)	**2021**	**2020**
Cash Flows from Operating Activities		
Net income	**$ 4,282**	$ 4,347
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**2,180**	2,089
Realized investment (gains) losses, net	**(128)**	18
Deferred income tax (benefit)	**(104)**	(340)
Debt extinguishment costs	**141**	199
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	**(4,039)**	(2,810)
Inventories	**145**	5
Deferred policy acquisition costs	**(182)**	(244)
Reinsurance recoverable and Other assets	**(281)**	(468)
Insurance liabilities	**863**	740
Pharmacy and other service costs payable	**1,357**	2,084
Accounts payable and Accrued expenses and other liabilities	**(1,411)**	(32)
Other, net	**93**	468
NET CASH PROVIDED BY OPERATING ACTIVITIES	**2,916**	6,056
Cash Flows from Investing Activities		
Proceeds from investments sold:		
Debt securities and equity securities	**1,052**	2,038
Investment maturities and repayments:		
Debt securities and equity securities	**1,265**	1,097
Commercial mortgage loans	**127**	14
Other sales, maturities and repayments (primarily short-term and other long-term investments)	**1,261**	1,086
Investments purchased or originated:		
Debt securities and equity securities	**(2,742)**	(3,317)
Commercial mortgage loans	**(233)**	(55)
Other (primarily short-term and other long-term investments)	**(1,768)**	(1,434)
Property and equipment purchases, net	**(850)**	(775)
Acquisitions, net of cash acquired	**(1,836)**	(135)
Divestiture, net of cash sold	**(61)**	—
Other, net	**51**	37
NET CASH (USED IN) INVESTING ACTIVITIES	**(3,734)**	(1,444)
Cash Flows from Financing Activities		
Deposits and interest credited to contractholder deposit funds	**132**	769
Withdrawals and benefit payments from contractholder deposit funds	**(139)**	(736)
Net change in short-term debt	**1,633**	592
Net proceeds on issuance of term loan	**—**	1,398
Payments for debt extinguishment	**(136)**	(212)
Repayment of long-term debt	**(4,578)**	(6,897)
Net proceeds on issuance of long-term debt	**4,260**	3,465
Repurchase of common stock	**(6,321)**	(2,352)
Issuance of common stock	**301**	239
Common stock dividend paid	**(1,017)**	(15)
Other, net	**24**	(63)
NET CASH (USED IN) FINANCING ACTIVITIES	**(5,841)**	(3,812)
Effect of foreign currency rate changes on cash, cash equivalents and restricted cash	**(46)**	(7)
Net (decrease) increase in cash, cash equivalents and restricted cash	**(6,705)**	793
Cash, cash equivalents and restricted cash January 1, [1]	**10,245**	5,411
Cash, cash equivalents and restricted cash, September 30,	**3,540**	6,204
Cash reclassified to assets of business held for sale	**—**	(798)
Cash, cash equivalents and restricted cash September 30, per Consolidated Balance Sheets [2]	**$ 3,540**	$ 5,406
Supplemental Disclosure of Cash Information:		
Income taxes paid, net of refunds	**$ 1,916**	$ 1,408
Interest paid	**$ 950**	$ 1,112

(1) Includes $743 million reported in Assets of business held for sale as of January 1, 2020.
(2) Restricted cash and cash equivalents were reported in other long-term investments as of September 30, 2021, December 31, 2020 and September 30, 2020. Restricted cash and cash equivalents were reported in other long-term investments and other assets as of December 31, 2019.

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

CIGNA CORPORATION

NOTES TO THE 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. Our subsidiaries offer a differentiated set of pharmacy, medical, dental and related products and services.

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 provides details of its reporting segments and recent changes 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 Insurance Company ("New York Life") and results of this business are reported in the U.S. Medical segment.

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. Cigna entered into a definitive agreement in October 2021 to sell its life, accident and supplemental benefits businesses in seven countries to Chubb INA Holdings, Inc. ("Chubb") for $5.75 billion cash. Subject to applicable regulatory approvals and customary closing conditions, we expect to complete the sale of our life, accident and supplemental benefits businesses in Hong Kong, Indonesia, New Zealand, South Korea, Taiwan, Thailand and our interest in a joint venture in Turkey in 2022.

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 enterprise wide 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 to accounting guidance not yet adopted or recently issued accounting pronouncements that have occurred since the Company filed its 2020 Form 10-K that would have a material impact to our financial statements. There were no new accounting standards adopted as of September 30, 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)	**September 30, 2021**	**December 31, 2020**
Noninsurance customer receivables	**$ 6,797**	$ 5,534
Pharmaceutical manufacturers receivable	**6,526**	4,676
Insurance customer receivables	**2,567**	1,789
Other receivables	**360**	192
Total	**$ 16,250**	$ 12,191

These receivables are reported net of our allowances of $1.5 billion as of September 30, 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 $57 million as of September 30, 2021 and $65 million as of December 31, 2020.

Note 4 – Mergers, Acquisitions and Divestitures

A. Acquisition of MDLIVE

On April 19, 2021, Cigna acquired 97% of MDLIVE, Inc. ("MDLIVE"), a 24/7 virtual care platform. Combined with Cigna's previously held equity investment, Cigna now owns 100% of MDLIVE. The acquisition of MDLIVE will enable Cigna's Evernorth segment to continue expanding access to virtual care and delivering a more affordable, convenient and connected care experience for consumers.

The purchase price of $2.0 billion consisted of cash consideration. In accordance with GAAP, the total consideration transferred has been allocated to the tangible and intangible net assets acquired based on management's preliminary estimates of their fair values and may change as additional information becomes available over the next several months. During the three months ended September 30, 2021, the Company made immaterial measurement period adjustments to the purchase price allocation. The estimated fair values of assets acquired and liabilities assumed as of the closing date were as follows:

(In millions)		
Goodwill	**$**	**1,438**
Acquired intangible assets		**627**
Tangible assets acquired net of liabilities assumed		**17**
Total consideration transferred		**2,082**
Less: Fair value to Cigna's previously held equity interest		**(55)**
Total purchase price	**$**	**2,027**

Most of the goodwill is assigned to the Evernorth segment ($1.3 billion). Goodwill is not deductible for federal income tax purposes. The acquired intangible assets primarily consist of customer relationships ($577 million) as well as internal-use software, provider networks and a trade name. The fair value of the customer relationships and the amortization period were determined using an income approach that relies heavily on projected future net cash flows including key assumptions for customer attrition, margins and discount rates. The customer relationship intangible asset is amortized over a period of 17 years in a pattern that reflects when Cigna expects to receive the benefits of the related cash flows.

The results of MDLIVE have been included in the Company's Consolidated Financial Statements from the date of the acquisition. Revenues from MDLIVE and their results of operations were not material to Cigna's consolidated results of operations for the three or nine months ended September 30, 2021. The pro forma effects of this acquisition for current and prior periods were not material to our consolidated results of operations.

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 included recognition of previously unrealized capital gains on investments sold.

C. Integration and Transaction-related Costs

In the first nine months of 2021, the Company incurred costs related to the acquisition of MDLIVE, the terminated merger with Anthem, Inc. (“Anthem”) and the sale of the U.S. Group Disability and Life business. In the first nine 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 $13 million pre-tax ($(35) million after-tax) for the three months and $58 million pre-tax ($1 million after-tax) for the nine months ended September 30, 2021, compared with $112 million pre-tax ($83 million after-tax) for the three months and $339 million pre-tax ($256 million after-tax) for the nine months ended September 30, 2020. These costs consisted primarily of certain projects to integrate or separate the Company’s systems, products and services, fees for legal, advisory and other professional services and certain employment-related costs. After-tax costs for the three and nine months ended September 30, 2021 included a tax benefit from the resolution of a tax matter related to the sold Group Disability and Life business.

Note 5 – Earnings Per Share ("EPS")

Basic and diluted earnings per share were computed as follows:

	Three Months Ended					
	September 30, 2021			September 30, 2020		
(Shares in thousands, dollars in millions, except per share amounts)	**Basic**	**Effect of Dilution**	**Diluted**	**Basic**	**Effect of Dilution**	**Diluted**
Shareholders' net income	**$ 1,621**		**$ 1,621**	$ 1,388		$ 1,388
Shares:						
Weighted average	**335,166**		**335,166**	364,427		364,427
Common stock equivalents		**2,413**	**2,413**		2,763	2,763
Total shares	**335,166**	**2,413**	**337,579**	364,427	2,763	367,190
EPS	**$ 4.84**	**$ (0.04)**	**$ 4.80**	$ 3.81	$ (0.03)	$ 3.78

	Nine Months Ended					
	September 30, 2021			September 30, 2020		
(Shares in thousands, dollars in millions, except per share amounts)	**Basic**	**Effect of Dilution**	**Diluted**	**Basic**	**Effect of Dilution**	**Diluted**
Shareholders' net income	**$ 4,249**		**$ 4,249**	$ 4,323		$ 4,323
Shares:						
Weighted average	**341,583**		**341,583**	367,410		367,410
Common stock equivalents		**3,197**	**3,197**		3,421	3,421
Total shares	**341,583**	**3,197**	**344,780**	367,410	3,421	370,831
EPS	**$ 12.44**	**$ (0.12)**	**$ 12.32**	$ 11.77	$ (0.11)	$ 11.66

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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Anti-dilutive options	**1.5**	4.6	**1.5**	4.2

The Company held approximately 62.6 million shares of common stock in treasury at September 30, 2021, 35.5 million shares as of December 31, 2020 and 26.7 million shares as of September 30, 2020.

On August 23, 2021, as part of our existing share repurchase program, we entered into separate accelerated share repurchase agreements ("ASR agreements") with Morgan Stanley & Co. LLC and JP Morgan Chase Bank, N.A. (collectively, the "Counterparties") to repurchase $2.0 billion of common stock in aggregate. On August 24, 2021, in accordance with the ASR agreements we remitted $2.0 billion to the Counterparties and received an initial delivery of 7.7 million shares of our common stock. The final number of shares to be received under the ASR agreements will be determined based on the daily volume-weighted average share price of our common stock over the term of the agreements, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements. We expect final settlement under the ASR agreements to occur in the fourth quarter of 2021. At final settlement, we may be entitled to receive additional shares of our common stock from the Counterparties or we may be required to make a payment. If we are obligated to make a payment, we may elect to satisfy such obligation in cash or shares of our common stock. We recorded the payments to the Counterparties as a reduction to stockholders' equity, consisting of a $1.6 billion increase in treasury stock, which reflects the value of the initial 7.7 million shares received upon initial settlement, and a $400 million decrease in capital in excess of par value or Additional paid-in capital, which reflects the value of the stock held back by the Counterparties pending final settlement of the agreements. The $400 million recorded in Additional paid-in capital will be reclassified to treasury stock upon settlement of the ASR agreements. The initial delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted net income per share on the effective date of the ASR agreements.

Note 6 – Debt

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

(In millions)	September 30, 2021	December 31, 2020
Short-term debt		
$78 million, 6.37% Notes due 6/2021	**$ —**	$ 78
$1,000 million, Floating Rate Notes due 9/2021	**—**	999
$1,250 million, 3.4% Notes due 9/2021	**—**	1,249
Commercial paper	**2,680**	1,030
Other, including finance leases	**23**	18
Total short-term debt	**$ 2,703**	$ 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	**494**	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	**699**	698
$1,000 million, 3% Notes due 2023	**982**	975
$1,187 million, 3.75% Notes due 2023	**1,185**	2,181
$500 million, 0.613% Notes due 2024	**498**	—
$1,000 million, 3.5% Notes due 2024	**982**	977
$900 million, 3.25% Notes due 2025	**897**	896
$2,200 million, 4.125% Notes due 2025	**2,192**	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	**1,419**	1,410
$259 million, 7.875% Debentures due 2027	**259**	259
$600 million, 3.05% Notes due 2027	**596**	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)	**1,500**	—
$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 (1)	**2,192**	2,180
$750 million, 3.2% Notes due 2040	**743**	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	**2,967**	2,966
$1,250 million, 3.4% Notes due 2050	**1,235**	1,235
$1,500 million , 3.4% Notes due 2051	**1,476**	—
Other, including finance leases	**30**	36
Total long-term debt	**$ 31,609**	$ 29,545

(1) The Company has entered into interest rate swap contracts hedging a portion of these fixed-rate debt instruments. See Note 9 for further information about the Company's interest rate risk management and these derivative instruments.

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 nine months ended September 30, 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: During the first nine months of 2021, the Company completed the redemption of a total of $4.5 billion in aggregate principal amount of certain of its outstanding debt securities. The Company recorded a pre-tax loss of $141 million ($110 million after-tax), consisting primarily of premium payments.

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. As of September 30, 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 replaced 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 replaced the prior $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 discounted basis through certain broker dealers at any time not to exceed an aggregate amount of $5.0 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 September 30, 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:

	September 30, 2021			December 31, 2020			September 30, 2020
(In millions)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**	**Total**
Contractholder deposit funds	**$ 362**	**$ 6,717**	**$ 7,079**	$ 350	$ 6,823	$ 7,173	$ 7,662
Future policy benefits	**307**	**9,183**	**9,490**	327	9,317	9,644	10,102
Unearned premiums	**494**	**408**	**902**	485	394	879	828
Unpaid claims and claim expenses							
U.S. Medical	**3,825**	**21**	**3,846**	3,166	18	3,184	3,200
Other segments	**929**	**247**	**1,176**	980	292	1,272	6,235
Total							28,027
Insurance and contractholder liabilities classified as Liabilities of business held for sale [(1)]							(6,591)
Total insurance and contractholder liabilities	**$ 5,917**	**$ 16,576**	**$ 22,493**	$ 5,308	$ 16,844	$ 22,152	$ 21,436

(1) Amounts classified as Liabilities of business held for sale primarily include $5.2 billion of unpaid claims, $759 million of contractholder deposit funds and $646 million of future policy benefits as of September 30, 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 $3.6 billion at September 30, 2021 and $3.0 billion at September 30, 2020.

Activity, net of intercompany transactions, in the unpaid claims liability for the U.S. Medical segment for the nine months ended September 30 was as follows:

	Nine Months Ended	
(In millions)	**September 30, 2021**	**September 30, 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	**22,167**	18,935
Prior years	**(180)**	(126)
Total incurred	**21,987**	18,809
Paid costs related to:		
Current year	**18,701**	16,061
Prior years	**2,665**	2,363
Total paid	**21,366**	18,424
Ending balance, net	**3,581**	2,974
Add: Reinsurance and other amounts recoverable	**265**	226
Ending balance	**$ 3,846**	$ 3,200

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 nine months ended September 30 were as follows:

	Nine Months Ended					
(Dollars in millions)	September 30, 2021			September 30, 2020		
	$	%[1]		$	%[2]	
Actual completion factors	**$ 56**	**0.2**	**%**	$ 47	0.2	%
Medical cost trend	**124**	**0.5**		79	0.3	
Total favorable variance	**$ 180**	**0.7**	**%**	$ 126	0.5	%

(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 utilization of medical services that is lower than our estimates used to establish prior year reserves.

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)	September 30, 2021	September 30, 2020
Other Operations		
Group Disability and Life	**$ —**	$ 5,206
Other Operations	**267**	162
Total Other Operations	**267**	5,368
International Markets	**909**	867
Unpaid claims and claim expenses Other Operations and International Markets	**$ 1,176**	$ 6,235

Activity, net of intercompany transactions, in the unpaid claims and claim expenses for International Markets and, prior to the sale, Group Disability and Life (see Note 4 for further information) is presented in the following table. 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. 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.

	Nine Months Ended	
(In millions)	September 30, 2021	September 30, 2020[1]
Beginning balance	**$ 963**	$ 5,816
Less: Reinsurance	**59**	184
Beginning balance, net	**904**	5,632
Incurred claims related to:		
Current year	**2,110**	4,277
Prior years:		
Interest accretion	**—**	118
All other incurred	**(38)**	(12)
Total incurred	**2,072**	4,383
Paid claims related to:		
Current year	**1,549**	2,435
Prior years	**532**	1,702
Total paid	**2,081**	4,137
Foreign currency	**(43)**	5
Ending balance, net	**852**	5,883
Add: Reinsurance	**57**	190
Ending balance	**$ 909**	$ 6,073

(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.

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 $214 million of current reinsurance recoverables that are reported in Other current assets as of September 30, 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 September 30, 2021 are presented in the following table by range of external credit rating and collateral level:

(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]	$ —	$ —	$ 178	$ 178
Lower-medium grade [2]	—	—	63	63
Not rated	99	—	24	123
Total recoverables related to ongoing operations	99	—	265	364
Acquisition, disposition or runoff activities				
Upper-medium grade and higher [1]				
Lincoln National Life and Lincoln Life & Annuity of New York	—	2,942	—	2,942
Berkshire Hathaway Life Insurance Company of Nebraska	284	384	—	668
Prudential Retirement Insurance and Annuity	583	—	—	583
Life Insurance Company of North America	—	451	—	451
Other	223	16	17	256
Not rated	—	12	3	15
Total recoverables related to acquisition, disposition or runoff activities	1,090	3,805	20	4,915
Total	$ 1,189	$ 3,805	$ 285	$ 5,279
Allowance for uncollectible reinsurance				(30)
Total reinsurance recoverables				$ 5,249

(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.

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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Total ceded premiums	**$ 134**	$ 122	**$ 418**	$ 367
Total reinsurance recoveries	**$ 138**	$ 117	**$ 419**	$ 397

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 September 30, 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 for 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)	September 30, 2021	December 31, 2020
Account value	**$ 9,552**	$ 9,523
Net amount at risk	**$ 1,467**	$ 1,570
Number of contractholders (estimated)	**170,000**	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 $610 million as of September 30, 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 September 30, 2021 and December 31, 2020 as follows:

(In millions)

Line of Business	Reinsurer	September 30, 2021	December 31, 2020	Collateral and Other Terms at September 30, 2021
GMIB	Berkshire	**$ 298**	$ 353	100% were secured by assets in a trust.
	Sun Life Assurance Company of Canada	**179**	215	
	Liberty Re (Bermuda) Ltd.	**160**	190	100% were secured by assets in a trust.
Total GMIB recoverables reported in Other current assets and Other assets		**$ 637**	$ 758	

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

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:

	September 30, 2021			December 31, 2020		
(In millions)	Current	Long-term	Total	Current	Long-term	Total
Debt securities	**$ 895**	**$ 16,962**	**$ 17,857**	$ 959	$ 17,172	$ 18,131
Equity securities	**—**	**551**	**551**	—	501	501
Commercial mortgage loans	**40**	**1,485**	**1,525**	13	1,406	1,419
Policy loans	**—**	**1,329**	**1,329**	—	1,351	1,351
Other long-term investments	**—**	**3,429**	**3,429**	—	2,832	2,832
Short-term investments	**439**	**—**	**439**	359	—	359
Total	**$ 1,374**	**$ 23,756**	**$ 25,130**	$ 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 September 30, 2021:

(In millions)	Amortized Cost	Fair Value
Due in one year or less	**$ 914**	**$ 920**
Due after one year through five years	**5,316**	**5,543**
Due after five years through ten years	**5,799**	**6,161**
Due after ten years	**3,975**	**4,759**
Mortgage and other asset-backed securities	**457**	**474**
Total	**$ 16,461**	**$ 17,857**

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
September 30, 2021					
Federal government and agency	**$ 277**	**$ —**	**$ 105**	**$ —**	**$ 382**
State and local government	**153**	**—**	**16**	**—**	**169**
Foreign government	**2,317**	**—**	**235**	**(33)**	**2,519**
Corporate	**13,257**	**(11)**	**1,136**	**(69)**	**14,313**
Mortgage and other asset-backed	**457**	**—**	**21**	**(4)**	**474**
Total	**$ 16,461**	**$ (11)**	**$ 1,513**	**$ (106)**	**$ 17,857**
Investments supporting liabilities of the Company's run-off settlement annuity business (included in total above) [1]	**$ 2,282**	**$ (3)**	**$ 721**	**$ (9)**	**$ 2,991**
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. Our allowance for credit losses on debt securities was not material as of September 30, 2021 and December 31, 2020.

	September 30, 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	**$ 2,583**	**$ 2,660**	**$ (77)**	**799**	$ 1,026	$ 1,045	$ (19)	300
Below investment grade	**558**	**571**	**(13)**	**695**	381	405	(24)	232
More than one year								
Investment grade	**115**	**123**	**(8)**	**67**	18	18	—	6
Below investment grade	**201**	**209**	**(8)**	**45**	90	100	(10)	33
Total	**$ 3,457**	**$ 3,563**	**$ (106)**	**1,606**	$ 1,515	$ 1,568	$ (53)	571

Equity Securities

The following table provides the values of the Company's equity security investments as of September 30, 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 September 30, 2021 or December 31, 2020.

	September 30, 2021		December 31, 2020	
(In millions)	**Cost**	**Carrying Value**	**Cost**	**Carrying Value**
Equity securities with readily determinable fair values	**$ 203**	**$ 180**	$ 180	$ 202
Equity securities with no readily determinable fair value	**227**	**332**	225	255
Hybrid equity securities	**57**	**39**	58	44
Total	**$ 487**	**$ 551**	$ 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.

The Company regularly evaluates and monitors credit risk from the initial mortgage loan underwriting and throughout the investment holding period. For more information on the Company's accounting policies and methodologies regarding these investments, see Note 11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Loan-to-value and debt service coverage ratio are the two most significant contributors to the credit quality ratings that the Company uses to evaluate and monitor credit risk in its commercial mortgage loan portfolio. The following table summarizes the credit risk profile of the Company’s commercial mortgage loan portfolio as of September 30, 2021 and December 31, 2020:

(Dollars in millions)	September 30, 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%	**$ 563**	**2.18**		$ 533	2.28	
60% to 79%	**839**	**1.84**		751	2.08	
80% to 100%	**129**	**1.47**		141	1.33	
Allowance for credit losses	**(6)**			(6)		
Total	**$ 1,525**	**1.93**	**61 %**	$ 1,419	2.08	61 %

All commercial mortgage loans in the Company's portfolio are current as of September 30, 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 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)	**September 30, 2021**	**December 31, 2020**
Real estate investments	**$ 1,161**	$ 951
Securities partnerships	**2,098**	1,737
Other	**170**	144
Total	**$ 3,429**	$ 2,832

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 contractholder 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 and to hedge the interest rate risk of its long-term debt. 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.

The gross fair values of our derivative financial instruments are presented in Note 10. As of September 30, 2021 and December 31, 2020, the effects of derivative financial instruments used in 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, amounts excluded from the assessment of hedge effectiveness and fair values of assets posted or held as collateral supporting these fair values. The following table summarizes the types and notional quantity of derivative instruments held by the Company:

(In millions)		Notional Value as of	
Purpose	**Type of Instrument**	**September 30, 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	**$ 1,070**	$ 925
Fair value hedge: To convert a portion of the interest rate exposure on the Company's long-term debt from fixed to variable rates. This more closely aligns the Company's interest expense with the interest income received on its cash equivalent and short-term investment balances. The variable rates are benchmarked to SOFR.	Interest rate swap contracts	**$ 750**	$ —
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	**$ 697**	$ 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	**$ 671**	$ 538
Economic hedge: To hedge against the foreign exchange depreciation of certain foreign subsidiary earnings denominated in South Korean Won. The notional value of hedging instruments aligns with the U.S. dollar equivalent of hedged foreign-denominated earnings.	Average rate option contracts	**$ 120**	$ —

The Company implemented two new hedging strategies during the second quarter of 2021 that are described in the above table and are accounted for as follows:

- Fair value hedges of the interest rate exposure on the Company's long-term debt: Using fair value hedge accounting, the fair values of the swap contracts are reported in Other assets or Other liabilities. The critical terms of these swaps match those of the long-term debt being hedged. As a result, the carrying value of the hedged debt is adjusted to reflect changes in its fair value driven by the Secured Overnight Financing Rate ("SOFR"). The effects of those adjustments on interest expense are offset by the effects of corresponding changes in the swaps' fair value. The net impact from the hedge reported in Interest

expense and other reflects interest expense on the hedged debt at the variable interest rate. Cash flows relating to these contracts are reported in Operating activities.

• Economic hedge against the depreciation of foreign subsidiary earnings due to changes in the quarterly average exchange rate: Fair values of average rate option contracts are reported in Other assets. Because hedge accounting is not applied, changes in fair value are reported currently in earnings in Fees and other revenues. Cash flows relating to these contracts are reported in Operating activities.

As there have been no other changes to the types of derivative financial instruments the Company uses, refer to the Company's 2020 Form 10-K for further discussion on 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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Net realized investment gains (losses), excluding credit loss expense and asset write-downs	**$ 44**	$ 24	**$ 114**	$ 33
Credit loss (expense) recoveries	**24**	8	**14**	(41)
Other investment asset write-downs	**—**	—	**—**	(10)
Net realized investment gains (losses), before income taxes	**$ 68**	$ 32	**$ 128**	$ (18)

Net realized investment gains, excluding credit loss expense and asset write-downs for the nine months ended September 30, 2021 was primarily driven by mark-to-market gains on equity securities and gains on the sales of real estate partnerships, partially offset by mark-to-market losses on derivatives. This activity for the nine months ended September 30, 2020 primarily represent gains on sales of debt securities, partially offset by mark-to-market losses on equity securities and derivatives. 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 September 30, 2021 and 2020 were not material.

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).

For a description of the policies, methods and assumptions that are used to estimate fair value and determine the fair value hierarchy for each class of financial instruments, see Note 12 "Fair Value Measurements" to the Company's 2020 Form 10-K.

A. Financial Assets and Financial Liabilities Carried at Fair Value

The following table provides information as of September 30, 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 September 30, 2021	As of December 31, 2020	As of September 30, 2021	As of December 31, 2020	As of September 30, 2021	As of December 31, 2020	As of September 30, 2021	As of December 31, 2020
Financial assets at fair value								
Debt securities								
Federal government and agency	**$ 141**	$ 207	**$ 241**	$ 249	**$ —**	$ —	**$ 382**	$ 456
State and local government	**—**	—	**169**	167	**—**	—	**169**	167
Foreign government	**—**	—	**2,505**	2,498	**14**	13	**2,519**	2,511
Corporate	**—**	—	**13,600**	13,878	**713**	684	**14,313**	14,562
Mortgage and other asset-backed	**—**	—	**333**	309	**141**	126	**474**	435
Total debt securities	**141**	207	**16,848**	17,101	**868**	823	**17,857**	18,131
Equity securities [1]	**23**	50	**165**	165	**31**	31	**219**	246
Short-term investments	**—**	—	**439**	325	**—**	—	**439**	325
Derivative assets [2]	**—**	—	**126**	72	**—**	—	**126**	72
Financial liabilities at fair value								
Derivative liabilities	**$ —**	$ —	**$ 49**	$ 108	**$ —**	$ —	**$ 49**	$ 108

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

(2) Derivative assets above include an immaterial amount as of September 30, 2021 and $34 million as of December 31, 2020 that are presented in the Short-term investments category disclosed in Note 9. See Note 9 for more information on our Derivative Financial Instruments.

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.

Quantitative Information about Unobservable Inputs

The significant unobservable input used to value our corporate and government debt securities and mortgage and other asset-backed 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. The following table summarizes the fair value and significant unobservable inputs that were developed directly by the Company and used in pricing these debt securities as of September 30, 2021 and December 31, 2020. The range and weighted average basis point ("bps") amounts for liquidity reflect the Company's best estimates of the unobservable adjustments a market participant would make to calculate these fair values.

(Fair value in millions)	Fair Value as of		Unobservable input September 30, 2021	Unobservable Adjustment Range (Weighted Average by Quantity) as of	
	September 30, 2021	December 31, 2020		September 30, 2021	December 31, 2020
Debt securities					
Corporate and government debt securities	**$ 727**	$ 696	**Liquidity**	**60 - 2300 (460) bps**	60 - 1370 (470) bps
Mortgage and other asset-backed securities	**141**	126	**Liquidity**	**60 - 390 (90) bps**	60 - 380 (80) bps
Securities not priced by the Company [1]	**—**	1			
Total Level 3 debt securities	**$ 868**	$ 823			

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

A significant increase in liquidity spread adjustments would result in a lower fair value measurement, while a decrease would result in a higher fair value measurement.

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

The following table summarizes the changes in financial assets and financial liabilities classified in Level 3 for the three and nine months ended September 30, 2021 and 2020. Gains and losses reported in the table may include net changes in fair value that are attributable to both observable and unobservable inputs.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Debt and Equity Securities				
Beginning balance	**$ 854**	$ 860	**$ 854**	$ 555
Total gains (losses) included in shareholders' net income	**3**	(1)	**(8)**	4
Gains (losses) included in other comprehensive income	**2**	17	**(7)**	(42)
Gains (losses) required to adjust future policy benefits for settlement annuities [1]	**1**	7	**(6)**	4
Purchases, sales and settlements				
Purchases	**37**	3	**108**	67
Sales	**(36)**	(1)	**(36)**	(13)
Settlements	**(1)**	(8)	**(26)**	(15)
Total purchases, sales and settlements	**—**	(6)	**46**	39
Transfers into/(out of) Level 3				
Transfers into Level 3	**58**	102	**181**	629
Transfers out of Level 3	**(19)**	(33)	**(161)**	(243)
Total transfers into/(out of) Level 3	**39**	69	**20**	386
Ending balance	**$ 899**	$ 946	**$ 899**	$ 946
Total gains (losses) included in Shareholders' net income attributable to instruments held at the reporting date	**$ (3)**	$ —	**$ (3)**	$ (2)
Change in unrealized gains or losses included in Other comprehensive income for assets held at the end of the reporting period	**$ 2**	$ 17	**$ (8)**	$ (37)

(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 judgment that must be applied to the pricing of certain instruments increases and is typically observed through the widening of liquidity spreads. Transfers between Level 2 and Level 3 during 2021 and 2020 primarily reflected changes in liquidity 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 unobservable inputs 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 September 30, 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	
	September 30, 2021	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**	**September 30, 2021**	**December 31, 2020**
Guaranteed separate accounts (See Note 15)	**$ 223**	$ 226	**$ 290**	$ 297	**$ —**	$ —	**$ 513**	$ 523
Non-guaranteed separate accounts [(1)]	**1,982**	1,925	**5,463**	5,600	**345**	355	**7,790**	7,880
Subtotal	**$ 2,205**	$ 2,151	**$ 5,753**	$ 5,897	**$ 345**	$ 355	**8,303**	8,403
Non-guaranteed separate accounts priced at NAV as a practical expedient [(1)]							**847**	683
Separate account assets per Consolidated Balance Sheets							**$ 9,150**	$ 9,086

(1) Non-guaranteed separate accounts included $4.4 billion as of September 30, 2021 and $4.2 billion as of December 31, 2020 in assets supporting the Company's pension plans, including $0.3 billion classified in Level 3 as of September 30, 2021 and December 31, 2020.

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 and nine months ended September 30, 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:

(In millions)	Fair Value as of		Unfunded Commitment as of September 30, 2021	Redemption Frequency (if currently eligible)	Redemption Notice Period
	September 30, 2021	**December 31, 2020**			
Securities partnerships	**$ 534**	$ 463	**$ 253**	Not applicable	Not applicable
Real estate funds	**309**	215	**—**	Quarterly	30 - 90 days
Hedge funds	**4**	5	**—**	Up to annually, varying by fund	30 - 90 days
Total	**$ 847**	$ 683	**$ 253**		

As of September 30, 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, such as commercial mortgage loans that are carried at unpaid principal, investment real estate that is carried at depreciated cost and equity securities with no readily determinable fair value when there are no observable market transactions. However, these financial assets and liabilities may be measured using fair value under certain conditions, such as when investments become impaired and are written down to their fair value, or when there are observable price changes from orderly market transactions of equity securities that otherwise had no readily determinable fair value.

For the nine months ended September 30, 2021 and 2020, no impairments were recognized requiring these assets to be measured at fair value. Realized investment gains and losses from these observable price changes for the nine months ended September 30, 2021 and September 30, 2020 were not material.

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 September 30, 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:

		September 30, 2021		**December 31, 2020**	
(In millions)	**Classification in Fair Value Hierarchy**	**Fair Value**	**Carrying Value**	**Fair Value**	**Carrying Value**
Commercial mortgage loans	Level 3	**$ 1,563**	**$ 1,525**	$ 1,456	$ 1,419
Long-term debt, including current maturities, excluding finance leases	Level 2	**$ 35,794**	**$ 31,579**	$ 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 September 30, 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 the Company's 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 Shareholders' 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 September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Securities and Derivatives				
Beginning balance	**$ 749**	$ 1,256	**$ 900**	$ 975
Appreciation (depreciation) on securities and derivatives	**59**	159	**(113)**	499
Tax (expense) benefit	**(16)**	(27)	**9**	(96)
Net appreciation (depreciation) on securities and derivatives	**43**	132	**(104)**	403
Reclassification adjustment for (gains) losses included in Shareholders' net income (Net realized investment (gains) losses)	**(14)**	(16)	**(20)**	(3)
Reclassification adjustment for tax expense included in Shareholders' net income	**3**	4	**5**	1
Net (gains) losses reclassified from AOCI to Shareholders' net income	**(11)**	(12)	**(15)**	(2)
Other comprehensive income (loss), net of tax	**32**	120	**(119)**	401
Ending balance	**$ 781**	$ 1,376	**$ 781**	$ 1,376
Translation of foreign currencies				
Beginning balance	**$ (113)**	$ (374)	**$ (15)**	$ (275)
Translation of foreign currencies	**(118)**	102	**(216)**	7
Tax (expense) benefit	**(7)**	7	**(12)**	(3)
Other comprehensive income (loss), net of tax	**(125)**	109	**(228)**	4
Less: Net translation gain (loss) on foreign currencies attributable to noncontrolling interests	**(1)**	(4)	**(6)**	(10)
Shareholders' other comprehensive income (loss), net of tax	**(124)**	113	**(222)**	14
Ending balance	**$ (237)**	$ (261)	**$ (237)**	$ (261)
Postretirement benefits liability				
Beginning balance	**$ (1,713)**	$ (1,670)	**$ (1,746)**	$ (1,641)
Reclassification adjustment for amortization of net prior actuarial losses and prior service costs (Interest expense and other)	**21**	18	**60**	54
Reclassification adjustment for settlement (Interest expense and other)	**—**	—	**4**	—
Reclassification adjustment for tax (benefit) included in Shareholders' net income	**(5)**	(4)	**(15)**	(13)
Net adjustments reclassified from AOCI to Shareholders' net income	**16**	14	**49**	41
Valuation update	**—**	—	**—**	(73)
Tax benefit	**—**	—	**—**	17
Net change due to valuation update	**—**	—	**—**	(56)
Other comprehensive income (loss), net of tax	**16**	14	**49**	(15)
Ending balance	**$ (1,697)**	$ (1,656)	**$ (1,697)**	$ (1,656)

Note 13 – Leases

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

(In millions)	September 30, 2021	December 31, 2020
Operating leases:		
Operating lease ROU assets	**$ 519**	$ 552
Accrued expenses and other liabilities	**$ 145**	$ 152
Other non-current liabilities	**460**	491
Total operating lease liabilities	**$ 605**	$ 643
Finance leases:		
Property and equipment, gross	**$ 96**	$ 98
Accumulated depreciation	**(45)**	(46)
Property and equipment, net	**$ 51**	$ 52
Short-term debt	**$ 23**	$ 18
Long-term debt	**30**	36
Total finance lease liabilities	**$ 53**	$ 54

Note 14 – Income Taxes

Income Tax Expense

The 21.7% effective tax rate for the nine months ended September 30, 2021 was higher than the 20.8% 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 due to changes in statutory rates and adjustments in apportionment factors, partially offset by the elimination of the nondeductible health insurance industry 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 the buyer of the retirement benefits business has the right to redirect the management of the related assets to provide for benefit payments. As of September 30, 2021, employers maintained assets that generally exceeded the benefit obligations under these arrangements of approximately $440 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 September 30, 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 September 30, 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 September 30, 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 charges or credits resulting from existing or new guaranty fund assessments for the nine months ended September 30, 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 remains pending.

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. Express Scripts filed its Motion for Summary Judgment on August 27, 2021. Anthem's completed filing of its Response to Express Scripts' Motion for Summary Judgment on October 16, 2021. Express Scripts' Reply in Support of its Motion for Summary Judgment is due November 19, 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. On September 29, 2021, the *qui tam* action was transferred to the United States District Court for the Middle District of Tennessee.

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 results, 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. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results.

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

The Company defines adjusted revenues 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. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. 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 and nine months ended September 30, 2021 and 2020:

	Three Months Ended				**Nine Months Ended**			
(In millions)	**September 30, 2021**		**September 30, 2020**		**September 30, 2021**		**September 30, 2020**	
Description of Special Item Charges (Benefits) and Financial Statement Line Item(s)	**After-tax**	**Before-tax**	**After-tax**	**Before-tax**	**After-tax**	**Before-tax**	**After-tax**	**Before-tax**
Debt extinguishment costs	**$ —**	**$ —**	$ —	$ —	**$ 110**	**$ 141**	$ 151	$ 199
Integration and transaction-related (benefits) costs (Selling, general and administrative expenses)	**(35)**	**13**	83	112	**1**	**58**	256	339
(Benefits) 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
Risk corridors recovery (Selling, general and administrative expenses)	**—**	**—**	(76)	(101)	**—**	**—**	(76)	(101)
Contractual adjustment for a former client (Pharmacy revenues)	**—**	**—**	(89)	(117)	**—**	**—**	(155)	(204)
Total impact from special items	**$ (35)**	**$ 13**	$ (82)	$ (106)	**$ 90**	**$ 172**	$ 219	$ 289

Summarized segment financial information was as follows:

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Three months ended September 30, 2021						
Revenues from external customers	**$ 32,668**	**$ 9,588**	**$ 1,500**	**$ 63**	**$ 1**	**$ 43,820**
Inter-segment revenues	**942**	**587**	**—**	**—**	**(1,529)**	
Net investment income	**4**	**322**	**66**	**77**	**(1)**	**468**
Total revenues	**33,614**	**10,497**	**1,566**	**140**	**(1,529)**	**44,288**
Net realized investment results from certain equity method investments	**—**	**—**	**22**	**—**	**—**	**22**
Adjusted revenues	**$ 33,614**	**$ 10,497**	**$ 1,588**	**$ 140**	**$ (1,529)**	**$ 44,310**
Income (loss) before taxes	**$ 1,074**	**$ 1,075**	**$ 199**	**$ 32**	**$ (321)**	**$ 2,059**
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	**(10)**	**—**	**(6)**	**—**	**—**	**(16)**
Net realized investment (gains) losses	**—**	**(93)**	**46**	**1**	**—**	**(46)**
Amortization of acquired intangible assets	**484**	**6**	**11**	**—**	**—**	**501**
Special items						
Integration and transaction-related (benefits) costs	**—**	**—**	**—**	**—**	**13**	**13**
Pre-tax adjusted income (loss) from operations	**$ 1,548**	**$ 988**	**$ 250**	**$ 33**	**$ (308)**	**$ 2,511**

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Three months ended September 30, 2020						
Revenues from external customers	$ 29,016	$ 9,047	$ 1,439	$ 1,156	$ —	$ 40,658
Inter-segment revenues	926	478	—	6	(1,410)	
Net investment income	2	104	38	152	1	297
Total revenues	29,944	9,629	1,477	1,314	(1,409)	40,955
Net realized investment results from certain equity method investments	—	—	(37)	—	—	(37)
Special item related to contractual adjustment for a former client	(117)	—	—	—	—	(117)
Adjusted revenues	$ 29,827	$ 9,629	$ 1,440	$ 1,314	$ (1,409)	$ 40,801
Income (loss) before taxes	$ 1,086	$ 846	$ 253	$ 97	$ (478)	$ 1,804
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	(5)	—	(5)	—	—	(10)
Net realized investment (gains) losses	—	6	(48)	(27)	—	(69)
Amortization of acquired intangible assets	479	6	8	—	—	493
Special items						
Integration and transaction-related (benefits) costs	—	—	—	—	112	112
Risk corridors recovery	—	(101)	—	—	—	(101)
Contractual adjustment for a former client	(117)	—	—	—	—	(117)
Pre-tax adjusted income (loss) from operations	$ 1,443	$ 757	$ 208	$ 70	$ (366)	$ 2,112

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Nine months ended September 30, 2021						
Revenues from external customers	**$ 93,640**	**$ 28,879**	**$ 4,526**	**$ 175**	**$ 1**	**$ 127,221**
Inter-segment revenues	**3,174**	**1,692**	**—**	**—**	**(4,866)**	
Net investment income	**12**	**744**	**180**	**233**	**—**	**1,169**
Total revenues	**96,826**	**31,315**	**4,706**	**408**	**(4,865)**	**128,390**
Net realized investment results from certain equity method investments	**—**	**—**	**12**	**—**	**—**	**12**
Adjusted revenues	**$ 96,826**	**$ 31,315**	**$ 4,718**	**$ 408**	**$ (4,865)**	**$ 128,402**
Income (loss) before taxes	**$ 2,752**	**$ 3,144**	**$ 685**	**$ 67**	**$ (1,178)**	**$ 5,470**
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	**(21)**	**—**	**(18)**	**—**	**—**	**(39)**
Net realized investment (gains) losses [1]	**4**	**(172)**	**49**	**3**	**—**	**(116)**
Amortization of acquired intangible assets	**1,449**	**20**	**30**	**—**	**—**	**1,499**
Special items						
Debt extinguishment costs	**—**	**—**	**—**	**—**	**141**	**141**
Integration and transaction-related (benefits) costs	**—**	**—**	**—**	**—**	**58**	**58**
(Benefits) charges associated with litigation matters	**—**	**—**	**—**	**—**	**(27)**	**(27)**
Pre-tax adjusted income (loss) from operations	**$ 4,184**	**$ 2,992**	**$ 746**	**$ 70**	**$ (1,006)**	**$ 6,986**

(In millions)	Evernorth	U.S. Medical	International Markets	Other Operations	Corporate and Eliminations	Total
Nine months ended September 30, 2020						
Revenues from external customers	$ 82,986	$ 26,999	$ 4,325	$ 3,506	$ —	$ 117,816
Inter-segment revenues	2,785	1,448	—	17	(4,250)	
Net investment income	30	279	104	458	2	873
Total revenues	85,801	28,726	4,429	3,981	(4,248)	118,689
Net realized investment results from certain equity method investments	—	—	(87)	—	—	(87)
Special item related to contractual adjustment for a former client	(204)	—	—	—	—	(204)
Adjusted revenues	$ 85,597	$ 28,726	$ 4,342	$ 3,981	$ (4,248)	$ 118,398
Income (loss) before taxes	$ 2,551	$ 3,529	$ 877	$ 298	$ (1,765)	$ 5,490
Pre-tax adjustments to reconcile to adjusted income from operations						
(Income) attributable to noncontrolling interests	(12)	—	(15)	—	—	(27)
Net realized investment (gains) losses [1]	—	28	(75)	(22)	—	(69)
Amortization of acquired intangible assets	1,439	23	22	3	—	1,487
Special items						
Debt extinguishment costs	**—**	**—**	**—**	**—**	199	199
Integration and transaction-related (benefits) costs	**—**	**—**	**—**	**—**	339	339
(Benefits) charges associated with litigation matters	**—**	**—**	**—**	**—**	25	25
Charge for organizational efficiency plan	**—**	—	**—**	**—**	31	31
Risk corridors recovery	**—**	(101)	**—**	**—**	—	(101)
Contractual adjustment for a former client	(204)	—	**—**	**—**	—	(204)
Pre-tax adjusted income (loss) from operations	$ 3,774	$ 3,479	$ 809	$ 279	$ (1,171)	$ 7,170

(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 and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Products (Pharmacy revenues) (ASC 606)				
Network revenues	**$ 15,797**	$ 13,968	**$ 45,390**	$ 39,200
Home delivery and specialty revenues	**13,515**	12,422	**38,987**	36,319
Other	**1,701**	1,412	**4,708**	3,945
Total pharmacy revenues	**31,013**	27,802	**89,085**	79,464
Insurance premiums (ASC 944)				
U.S. Medical premiums				
U.S. Commercial				
Health Insurance	**3,591**	3,397	**10,692**	9,948
Stop loss	**1,225**	1,146	**3,613**	3,459
Other	**320**	281	**938**	853
U.S. Government				
Medicare Advantage	**2,079**	1,895	**6,287**	5,680
Medicare Part D	**315**	360	**1,175**	1,242
Other	**1,241**	1,117	**3,606**	3,246
Total U.S. Medical premiums	**8,771**	8,196	**26,311**	24,428
International Markets premiums	**1,446**	1,360	**4,338**	4,079
Domestic disability, life and accident premiums	**—**	1,106	**—**	3,346
Other premiums	**58**	20	**163**	75
Total premiums	**10,275**	10,682	**30,812**	31,928
Services (ASC 606)				
Fees	**2,513**	2,120	**7,185**	6,253
Other external revenues	**19**	54	**139**	171
Total services	**2,532**	2,174	**7,324**	6,424
Total revenues from external customers	**$ 43,820**	$ 40,658	**$ 127,221**	$ 117,816

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. The performance guarantee liability was $1.0 billion as of September 30, 2021 and $1.1 billion as of December 31, 2020.

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

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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 September 30, 2021 compared with December 31, 2020 and our results of operations for the three and nine months ended September 30, 2021, compared with the same periods 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.

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 adjusted income from operations as shareholders' net income (or income before taxes for the segment metric) excluding net realized investment results, 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. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results and on a pre-tax basis for segment results. Consolidated adjusted income (loss) from operations is not determined in accordance with GAAP and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders' net income. See the below Financial Highlights section for a reconciliation of consolidated adjusted income from operations to shareholders' net income.

The Company defines adjusted revenues 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. Special items are matters that management believes are not representative of the underlying results of operations due to their nature or size. We exclude these items from this measure because management believes they are not indicative of past or future underlying performance of the business. Adjusted revenues is not determined in accordance with GAAP and should not be viewed as a

substitute for the most directly comparable GAAP measure, total revenues. See the below Financial Highlights section for a reconciliation of consolidated adjusted revenues to total revenues.

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, including the sale of our international life, accident and supplemental benefits business; 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, including with respect to the sale of our international life, accident and supplemental benefits business, 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. Our subsidiaries offer a differentiated set of pharmacy, medical, dental and related products and services. 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 and nine months ended September 30, 2021 compared with the same periods in 2020. Unless specified otherwise, commentary applies to both the three and nine month periods.

Summarized below are certain key measures of our performance by segment for the three and nine months ended September 30, 2021 and 2020:

Financial highlights by segment

	Three Months Ended September 30,			Nine Months Ended September 30,		
(Dollars in millions, except per share amounts)	**2021**	**2020**	**% Change**	**2021**	**2020**	**% Change**
Revenues						
Adjusted revenues by segment						
Evernorth	**$ 33,614**	$ 29,827	13 %	**$ 96,826**	$ 85,597	13 %
U.S. Medical	**10,497**	9,629	9	**31,315**	28,726	9
International Markets	**1,588**	1,440	10	**4,718**	4,342	9
Other Operations	**140**	1,314	(89)	**408**	3,981	(90)
Corporate, net of eliminations	**(1,529)**	(1,409)	(9)	**(4,865)**	(4,248)	(15)
Adjusted revenues	**44,310**	40,801	9	**128,402**	118,398	8
Net realized investment results from certain equity method investments	**(22)**	37	N/M	**(12)**	87	N/M
Special items	**—**	117	N/M	**—**	204	N/M
Total revenues	**$ 44,288**	$ 40,955	8 %	**$ 128,390**	$ 118,689	8 %
Shareholders' net income	**$ 1,621**	$ 1,388	17 %	**$ 4,249**	$ 4,323	(2) %
Adjusted income from operations	**$ 1,936**	$ 1,618	20 %	**$ 5,408**	$ 5,528	(2) %
Earnings per share (diluted)						
Shareholders' net income	**$ 4.80**	$ 3.78	27 %	**$ 12.32**	$ 11.66	6 %
Adjusted income from operations	**$ 5.73**	$ 4.41	30 %	**$ 15.69**	$ 14.91	5 %
Pre-tax adjusted income (loss) from operations by segment						
Evernorth	**$ 1,548**	$ 1,443	7 %	**$ 4,184**	$ 3,774	11 %
U.S. Medical	**988**	757	31	**2,992**	3,479	(14)
International Markets	**250**	208	20	**746**	809	(8)
Other Operations	**33**	70	(53)	**70**	279	(75)
Corporate, net of eliminations	**(308)**	(366)	16	**(1,006)**	(1,171)	14
Consolidated pre-tax adjusted income from operations	**2,511**	2,112	19	**6,986**	7,170	(3)
Income attributable to noncontrolling interests	**16**	10	60	**39**	27	44
Net realized investment gains (losses) [(1)]	**46**	69	(33)	**116**	69	68
Amortization of acquired intangible assets	**(501)**	(493)	(2)	**(1,499)**	(1,487)	(1)
Special items	**(13)**	106	N/M	**(172)**	(289)	40
Income before income taxes	**$ 2,059**	$ 1,804	14 %	**$ 5,470**	$ 5,490	— %

(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 September 30, 2021	2020	% Change	Nine Months Ended September 30, 2021	2020	% Change
Pharmacy revenues	**$ 31,013**	$ 27,802	12 %	**$ 89,085**	$ 79,464	12 %
Premiums	**10,275**	10,682	(4)	**30,812**	31,928	(3)
Fees and other revenues	**2,532**	2,174	16	**7,324**	6,424	14
Net investment income	**468**	297	58	**1,169**	873	34
Total revenues	**44,288**	40,955	8	**128,390**	118,689	8
Pharmacy and other service costs	**30,070**	26,624	13	**86,306**	76,425	13
Medical costs and other benefit expenses	**8,330**	8,429	(1)	**24,819**	23,863	4
Selling, general and administrative expenses	**3,093**	3,301	(6)	**9,368**	10,106	(7)
Amortization of acquired intangible assets	**501**	493	2	**1,499**	1,487	1
Total benefits and expenses	**41,994**	38,847	8	**121,992**	111,881	9
Income from operations	**2,294**	2,108	9	**6,398**	6,808	(6)
Interest expense and other	**(303)**	(336)	10	**(915)**	(1,101)	17
Debt extinguishment costs	**—**	—	N/M	**(141)**	(199)	29
Net realized investment gains (losses)	**68**	32	113	**128**	(18)	N/M
Income before income taxes	**2,059**	1,804	14	**5,470**	5,490	—
Total income taxes	**424**	406	4	**1,188**	1,143	4
Net income	**1,635**	1,398	17	**4,282**	4,347	(1)
Less: Net income attributable to noncontrolling interests	**14**	10	40	**33**	24	38
Shareholders' net income	**$ 1,621**	$ 1,388	17 %	**$ 4,249**	$ 4,323	(2) %
Consolidated effective tax rate	**20.6 %**	22.5 %	(190) bps	**21.7 %**	20.8 %	90 bps
Medical customers (in thousands)						
U.S. Medical				**15,305**	15,314	— %
International Markets				**1,736**	1,668	4
Total				**17,041**	16,982	— %

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

	Dollars in Millions				Diluted Earnings Per Share			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020	2021	2020	2021	2020
Shareholders' net income	**$ 1,621**	$ 1,388	**$ 4,249**	$ 4,323	**$ 4.80**	$ 3.78	**$ 12.32**	$ 11.66
After-tax adjustments required to reconcile to adjusted income from operations								
Net realized investment (gains) losses [1]	**(42)**	(64)	**(99)**	(75)	**(0.12)**	(0.17)	**(0.29)**	(0.20)
Amortization of acquired intangible assets	**392**	376	**1,168**	1,061	**1.15**	1.02	**3.40**	2.86
Special items								
Debt extinguishment costs	**—**	—	**110**	151	**—**	—	**0.32**	0.41
Integration and transaction-related (benefits) costs	**(35)**	83	**1**	256	**(0.10)**	0.23	**—**	0.69
(Benefits) charges associated with litigation matters	**—**	—	**(21)**	19	**—**	—	**(0.06)**	0.05
Charge for organizational efficiency plan	**—**	—	**—**	24	**—**	—	**—**	0.06
Risk corridors recovery	**—**	(76)	**—**	(76)	**—**	(0.21)	**—**	(0.20)
Contractual adjustment for a former client	**—**	(89)	**—**	(155)	**—**	(0.24)	**—**	(0.42)
Total special items	**(35)**	(82)	**90**	219	**(0.10)**	(0.22)	**0.26**	0.59
Adjusted income from operations	**$ 1,936**	$ 1,618	**$ 5,408**	$ 5,528	**$ 5.73**	$ 4.41	**$ 15.69**	$ 14.91

(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

As Cigna closely monitors the evolving dynamics of the COVID-19 pandemic, the Company's commitment to the health and safety of its employees, customers and clients remains our primary focus. Cigna firmly believes COVID-19 vaccinations help control the spread of the virus, limit the severity of the disease and save lives. The Company continues its work to increase vaccinations by enabling, educating and encouraging vaccine acceptance across all eligible populations. Cigna continues to provide access to care and supportive resources to help everyone it serves knowledgeably navigate the pandemic and take care of their physical and mental health during this time.

For the third quarter of 2021, COVID-19 impacts are most notable in our U.S. Medical segment as net unfavorable COVID-19 related impacts increased as compared with the same period in 2020. The unfavorable COVID-19 related impacts include increased direct costs of COVID-19 testing, treatment and vaccines as well as lower risk adjustment revenues in our Medicare Advantage business. For the nine months ended September 30, 2021 compared with the same period in 2020 the net unfavorable impacts reflect increased direct costs of COVID-19 testing, treatment and vaccines, the significant deferral of care by our customers in 2020, lower risk adjustment revenues in our Medicare Advantage business and increased disenrollment resulting from the economic effects of the pandemic. These impacts were partially offset by the absence of the premium relief programs implemented in the second quarter of 2020.

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 of disruption with prescription drug supply due to ongoing global supply disruptions.

The situation surrounding COVID-19 remains fluid with continued uncertainty and a wide range of potential outcomes. We continue to actively manage our response and assess impacts to our financial position and operating results, as well as mitigate adverse developments in our business. There continues to be uncertainty surrounding the pace, duration and extent of the COVID-19 pandemic and its related impacts — including the vaccination efforts and new COVID-19 variants — on our results for the remainder of 2021 and beyond. We believe that such financial 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 a disrupted employment market, lower risk adjustment revenue due to disrupted care impeding appropriate documentation of customer risk profiles in our Medicare Advantage business, the pace at which costs return as well as the severity of costs for those who had previously deferred care, the potential for future deferral of care, or volatility in the economic markets.

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 and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

The commentary presented below, and in the segment discussions that follow, compare results for the three and nine months ended September 30, 2021 with results for the three and nine months ended September 30, 2020. Unless otherwise specified, commentary applies to both the three and nine month periods.

Shareholders' net income increased for the three months ended September 30, 2021 compared with the same period last year, primarily driven by higher adjusted income from operations (see below). For the nine months ended September 30, 2021, shareholders' net income decreased slightly compared with the same period last year, reflecting a decline in adjusted income from operations (see below). For the nine months ended September 30, 2021 shareholders' net income increased on a per-share basis compared with the same period last year due to the favorable effect of the share repurchase program.

Adjusted income from operations increased for the three months ended September 30, 2021 compared with the same period last year, primarily resulting from higher earnings across our reporting segments, partially offset by the absence of earnings from the sold Group Disability and Life business. The increase in earnings in the Evernorth segment was primarily attributable to effective management of supply chain and business growth; in the U.S. Medical and International segments, earnings growth largely reflected significantly higher net investment income (see net investment income discussion below). For the nine months ended September 30, 2021, adjusted income from operations declined compared with the same period last year, primarily due to lower earnings in U.S. Medical reflecting the unfavorable impacts of COVID-19 and the absence of earnings from the sold Group Disability and Life business. These unfavorable effects were partially offset by increased earnings in the Evernorth segment. For the nine months ended September 30, 2021, adjusted income from operations increased on a per-share basis compared with the same period last year due to the favorable effect of the share repurchase program.

Medical customers were flat, reflecting growth in our Select, Individual, International Markets and Medicare Advantage businesses, offset by a lower customer base in our National Accounts and Middle Markets segments including disenrollment resulting from the economic impacts of the COVID-19 pandemic.

Pharmacy revenues increased, reflecting inflation on branded drugs and higher claim volume, primarily due to our collaboration with Prime Therapeutics. See the "Evernorth segment" section of this MD&A for further discussion of Pharmacy revenues.

Premiums were lower, reflecting the sale of the Group Disability and Life business. This effect was partially offset by an increase in U.S. Medical premiums resulting from increased customers in our insured businesses, higher premium rates due to anticipated underlying medical cost trend and, for the nine months ended September 30,2021 the absence of premium relief programs implemented in the second quarter of 2020 in response to deferred care due to the COVID-19 pandemic.

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

Net investment income increased due to strong returns on our securities limited 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 inflation on branded drugs and higher claim volume, primarily due to our collaboration with Prime Therapeutics.

Medical costs and other benefit expenses decreased slightly for the three months ended September 30, 2021 compared with the same period last year, reflecting the sale of the Group Disability and Life business, largely offset by an increase in U.S. Medical due to higher costs of COVID-19 treatment, testing and vaccines and customer growth in our insured businesses. For the nine months ended September 30, 2021, the increase compared with the same period last year was due to higher medical costs in U.S. Medical for the reasons cited above and a significant reduction in deferred care in 2021 as compared to 2020. Most care was deferred in the second quarter of 2020, with claims returning to more normal levels beginning in the third quarter of 2020. These unfavorable effects were partially offset by the sale of the Group Disability and Life business.

Selling, general and administrative expenses decreased, primarily resulting from the sale of the Group Disability and Life business and the elimination of the health insurance industry tax. These favorable effects were partially offset by expense growth in Evernorth and U.S. Medical reflecting business growth.

Interest expense and other decreased due to lower levels of average outstanding debt resulting from debt repayments.

Debt extinguishment costs were lower for the nine months ended September 30, 2021 compared with the same period last year because the debt repaid in 2021 had lower interest rates than the debt repaid in 2020.

Realized investment results significantly improved, primarily due to favorable market value adjustments on equity securities in 2021 compared with 2020 and lower credit loss reserves on debt securities.

Effective tax rate. The decrease for the three months ended September 30, 2021 compared with the same period last year primarily reflects the repeal of the nondeductible health insurance industry tax in 2021. For the nine months ended September 30, 2021, the effective tax rate was higher than the same period last year, 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

Medicare Star Quality Ratings (“Star Ratings”)

The Centers for Medicare & Medicaid Services ("CMS") uses a Star Rating system to measure how well Medicare Advantage (“MA”) plans perform, scoring how well plans perform in several categories, including quality of care and customer service. Star Ratings range from one to five stars. CMS recognizes plans with Star Ratings of four stars or greater with quality bonus payments and the ability to offer enhanced benefits. Approximately 87% of our MA customers were in four star or greater plans for bonus payments received in 2021 and approximately 88% were in four star or greater plans for bonus payments to be received in 2022; we expect this percentage to increase to 89% for bonus payments to be received in 2023.

Agreement to sell International Markets life, accident and supplemental benefits businesses

Cigna entered into a definitive agreement in October 2021 to sell its life, accident and supplemental benefits businesses in seven countries to Chubb INA Holdings, Inc. ("Chubb") for $5.75 billion cash. Subject to applicable regulatory approvals and customary closing conditions, we expect to complete the sale of our life, accident and supplemental benefits businesses in Hong Kong, Indonesia, New Zealand, South Korea, Taiwan, Thailand and our interest in a joint venture in Turkey in 2022. The “Liquidity and Capital Resources” section of this MD&A provides discussion of the expected impact of this transaction to liquidity.

Purchase of MDLIVE

As discussed in Note 4 to the Consolidated Financial Statements, on April 19, 2021 Cigna's Evernorth segment completed the 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. The “Liquidity and Capital Resources” section of this MD&A provides discussion of the impact of this transaction on liquidity.

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.

The Patient Protection and Affordable Care Act ("ACA")

ACA Litigation: As described in the “Business - Regulation” section of our 2020 Form 10-K, a federal district court ruled that the “individual mandate” in the ACA is unconstitutional and that the entire law must be struck down. On appeal, the Court of Appeals for the Fifth Circuit agreed that the “individual mandate” is unconstitutional but ordered the district court to reexamine whether the other provisions of the ACA can remain in effect, thereby leaving in doubt whether the entire ACA is unconstitutional until there is a final judicial determination on appeal. The California-led states and the U.S. House of Representatives filed petitions seeking to appeal the Fifth Circuit's ruling to the U.S. Supreme Court. The case was argued before the Supreme Court on November 10, 2020. On June 17, 2021, the Supreme Court issued its decision, upholding the ACA in its entirety. There are no changes to our business as a result of the decision.

Cost-Sharing Reduction Subsidies: The ACA provides for cost-sharing reductions that offset the amount that qualifying customers pay for deductibles, copays and coinsurance. The federal government stopped funding insurers for the cost-sharing reduction ("CSR”) subsidies in 2017. Certain insurers have sued the federal government for failure to pay cost-sharing reduction subsidies. In the first set of consolidated appeals, the Court of Appeals for the Federal Circuit issued a decision on August 14, 2020, finding that (i) the CSR reimbursement provision of the ACA imposes an obligation on the government to pay, but (ii) the insurers' damages must be reduced by the amount of additional premium tax credit payments that each insurer received as a result of the government’s termination of CSR payments. On February 19, 2021 two insurers filed a petition seeking Supreme Court review. On June 21, 2021, the Supreme Court declined the insurers’ petitions, which means the decision from the Court of Appeals for the Federal Circuit stands and will not

be modified further. As described in Note 15 to the Consolidated Financial Statements, we filed a lawsuit in May 2020 against the federal government seeking payment of these subsidies. Our case remains pending. Our premium rates for the 2018, 2019, 2020 and 2021 plan years reflected a lack of government funding for cost-sharing reduction subsidies.

Corporate Tax Reform. Recent proposals related to corporate tax reform propose raising corporate taxes, among other things. Some proposed reforms could have a material impact on our future results of operations. 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.

Transparency in Coverage. As previously disclosed in our 2020 Form 10-K, in October 2020, the Departments of Health and Human Services, Labor and the Treasury issued a final rule that requires most group health plans and health insurance issuers in the individual and group markets to disclose price and cost-sharing information for all items and services to participants and enrollees (the "Rule"). On August 20, 2021, the agencies jointly released guidance regarding the implementation of the Rule. Importantly, the guidance announced that the agencies will (i) indefinitely defer enforcement of the Rule's requirement that plans and issuers publish machine-readable files relating to prescription drug pricing pending further rulemaking and (ii) defer enforcement of the Rule's requirement to publish the remaining machine-readable files until July 1, 2022.

Risk Adjustment. As discussed in the "Regulation" and "Risk Factors" sections of our 2020 Form 10-K, our MA business is subject to reviews, including risk adjustment data validation ("RADV") audits by CMS and the Office of the Inspector General ("OIG"). We expect that CMS, OIG and other federal agencies will continue to closely scrutinize components of the Medicare program.

The "Regulation" section of our 2020 Form 10-K also discusses a proposed rule issued by CMS in 2018 for RADV audits of contract year 2011 and all subsequent years that included, among other things, extrapolation of the error rate related to RADV audit findings without applying the adjustment for underlying fee-for-service data errors as currently contemplated by CMS' RADV audit methodology. RADV audits for our contract years 2011 through 2015 are currently in process. CMS has announced its intent to use third-party auditors to audit all MA contracts by either a comprehensive or a targeted RADV review for each contract year. If the proposed rule is adopted in its current form, it could result in some combination of degraded plan benefits, higher monthly premiums and reduced choice for the population served by all MA insurers. The Company, along with other MA organizations and additional interested parties, submitted comments to CMS on the proposed rule as part of the notice-and-comment rulemaking process. The comment period concluded on August 28, 2019 and CMS issued guidance on October 20, 2021 extending the timeline to finalize the proposed rule until November 2022. If CMS adopts the rule as proposed, there could be a material impact on the Company's future results of operations, though we expect the rule would be subject to legal challenges. In addition, the Company is subject to OIG RADV audits that are in process.

Also, as described in Note 15 to the Consolidated Financial Statements, the U.S. Department of Justice is currently conducting an industry-wide investigation of risk adjustment data submission practices and business processes, which in the case of certain other MA organizations has resulted in litigation.

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 certain 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 nine months ended September 30 were as follows:

	Nine Months Ended September 30,	
(In millions)	**2021**	**2020**
Operating activities	**$ 2,916**	$ 6,056
Investing activities	**$ (3,734)**	$ (1,444)
Financing activities	**$ (5,841)**	$ (3,812)

The following discussion explains variances in the various categories of cash flows for the nine months ended September 30, 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, driven by increases in accounts receivable due to higher pharmacy claim volume and business growth, the timing of accounts payable and accrued liabilities, and approximately $800 million of tax payments related to the gain on sale of the Group Disability and Life business, partially offset by absence of the health insurance industry tax payment.

Investing and Financing activities

Cash flows used in investing activities increased, primarily due to the acquisition of MDLIVE and lower investment sale activity.

Cash used in financing activities increased, primarily due to higher stock repurchases including shares purchased pursuant to the ASR agreements (described below) and an increase in dividends paid, partially offset by lower debt repayments.

We maintain a share repurchase program authorized by our Board of Directors, under which we may repurchase shares of our common stock from time to time. 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.

On August 23, 2021, as part of our existing share repurchase program, we entered into separate accelerated share repurchase agreements ("ASR agreements") with Morgan Stanley & Co. LLC and JP Morgan Chase Bank, N.A. (collectively, the "Counterparties") to repurchase $2.0 billion of common stock in aggregate. On August 24, 2021, in accordance with the ASR agreements we remitted $2.0 billion to the Counterparties and received an initial delivery of 7.7 million shares of our common stock. The final number of shares to be received under the ASR agreements will be determined based on the daily volume-weighted average share price of our common stock over the term of the agreements, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements. We expect final settlement under the ASR agreements to occur in the fourth quarter of 2021. At final settlement, we may be entitled to receive additional shares of our common stock from the Counterparties or we may be required to make a payment. If we are obligated to make a payment, we may elect to satisfy such obligation in cash or shares of our common stock.

For the nine months ended September 30, 2021, we repurchased 26.5 million shares for approximately $6.3 billion including the $2.0 billion paid under the ASR agreements. Share repurchase authority was $6.6 billion as of November 3, 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 the parent company. Dividends from U.S. regulated subsidiaries were $2.1 billion and $1.6 billion for the nine months ended September 30, 2021 and 2020, respectively. Non-regulated subsidiaries also generate significant cash flow from operating activities, which is typically available immediately to the parent company 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 September 30, 2021, our debt-to-capitalization ratio was 42.0%, an increase from 39.5% at December 31, 2020, reflecting an increase in short term debt levels in conjunction with the execution of the ASR agreements.

Sale of life, accident and supplemental benefits businesses in seven countries. Cigna entered into a definitive agreement in October 2021 to sell its life, accident and supplemental benefits businesses in seven countries to Chubb INA Holdings, Inc. ("Chubb") for $5.75 billion cash. Subject to applicable regulatory approvals and customary closing conditions, we expect to complete the sale of our life, accident and supplemental benefits businesses in Hong Kong, Indonesia, New Zealand, South Korea, Taiwan, Thailand and our interest in a joint venture in Turkey in 2022. Cigna estimates it will receive approximately $5.4 billion of net after-tax proceeds from this transaction and expects to utilize the after-tax proceeds from the transaction primarily for share repurchases.

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

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 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 an aggregate amount of $5.0 billion. The net proceeds of issuances have been and are expected to be used for general corporate purposes.

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.

Cigna's revolving credit agreements include a $3.0 billion five-year revolving credit and letter of credit agreement that expires in April 2026; a $1.0 billion three-year revolving credit agreement that expires in April 2024; and a $1.0 billion 364-day revolving credit agreement that will expire in April 2022.

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 September 30, 2021, we had $5.0 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), $2.3 billion of remaining capacity under our commercial paper program and $3.9 billion in cash and short-term investments, approximately $810 million of which was held by the parent company or certain non-regulated 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.

For the first nine months of 2021, Cigna declared and paid quarterly cash dividends of $1.00 per share of Cigna common stock. On October 27, 2021 the Board of Directors declared a quarterly cash dividend of $1.00 per share of Cigna common stock to be paid on December 22, 2021 to shareholders of record on December 7, 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.

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 $875 million from its subsidiaries without further approvals as of September 30, 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 September 30, 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]	**$ 48,499**	**$ 319**	**$ 5,876**	**$ 6,735**	**$ 35,569**
Off-Balance Sheet					
Purchase Obligations	**$ 3,428**	**$ 918**	**$ 1,628**	**$ 563**	**$ 319**

(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 September 30, 2021, there were no significant changes to the critical accounting estimates from what was reported in our 2020 Form 10-K.

Goodwill and Other Intangible Assets

Our annual evaluations of goodwill and other intangible assets for impairments were completed during the third quarter of 2021. These evaluations were performed at the reporting unit level, based on discounted cash flow analyses or market data. The estimated fair value of each of our reporting units exceeded their carrying values by significant margins.

Management believes the current assumptions used to estimate amounts reflected in our Consolidated Financial Statements are appropriate. However, if actual experience significantly differs from the assumptions used in estimating amounts reflected in our Consolidated Financial Statements, the resulting changes could have a material adverse effect on our consolidated results of operations and in certain situations, could have a material adverse effect on liquidity and our financial condition.

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 *(Dollars in millions)*	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Change Favorable (Unfavorable)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change Favorable (Unfavorable)
Total revenues	**$ 33,614**	$ 29,944	12 %	**$ 96,826**	$ 85,801	13 %
Less: Contractual adjustment for a former client	—	(117)	N/M	—	(204)	N/M
Adjusted revenues[1]	**$ 33,614**	$ 29,827	13 %	**$ 96,826**	$ 85,597	13 %
Gross profit	**$ 2,161**	$ 2,107	3 %	**$ 6,079**	$ 5,589	9 %
Adjusted gross profit[1]	**$ 2,161**	$ 1,990	9 %	**$ 6,079**	$ 5,385	13 %
Pre-tax adjusted income from operations	**$ 1,548**	$ 1,443	7 %	**$ 4,184**	$ 3,774	11 %
Pre-tax adjusted margin	**4.6 %**	4.8 %	(20) bps	**4.3 %**	4.4 %	(10) bps

(Dollars and adjusted scripts in millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Change Favorable (Unfavorable)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change Favorable (Unfavorable)
Selected Financial Information[1]						
Pharmacy revenue by distribution channel						
Adjusted network revenues	**$ 16,488**	$ 14,522	14 %	**$ 47,792**	$ 41,179	16 %
Adjusted home delivery and specialty revenues	**13,796**	12,699	9	**39,911**	37,111	8
Other revenues	**1,701**	1,412	20	**4,708**	3,946	19
Total adjusted pharmacy revenues	**$ 31,985**	$ 28,633	12 %	**$ 92,411**	$ 82,236	12 %
Pharmacy script volume						
Adjusted network scripts[2]	**340**	309	10 %	**1,002**	890	13 %
Adjusted home delivery and specialty scripts[2]	**71**	72	(1)	**212**	215	(1)
Total adjusted scripts[2]	**411**	381	8 %	**1,214**	1,105	10 %
Generic fill rate						
Network	**86.3 %**	87.0 %	(70) bps	**86.3 %**	87.9 %	(160) bps
Home delivery	**85.9 %**	85.3 %	60 bps	**85.8 %**	85.1 %	70 bps
Overall generic fill rate	**86.3 %**	86.9 %	(60) bps	**86.3 %**	87.6 %	(130) 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 and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

Adjusted network revenues. The increases reflected increased prices, primarily due to inflation on branded drugs and higher claims volume, primarily due to our collaboration with Prime Therapeutics. These increases were partially offset by claims mix, primarily due to an increase in the generic fill rate when excluding the impact of COVID-19 vaccines.

Adjusted home delivery and specialty revenues. The increases reflected increased prices, primarily due to inflation on branded drugs, as well as higher specialty claims volume due in part to our collaboration with Prime Therapeutics. These increases were partially offset by lower home delivery claims volume and claims mix due to an increase in the generic fill rate.

Other revenues. The increases reflected higher volume from our CuraScript Specialty Distribution business.

Adjusted gross profit. For the three and nine months ended September 30, 2021, the increase reflected benefits from the effective management of supply chain, customer growth and higher adjusted pharmacy script volumes, primarily due to our collaboration with Prime Therapeutics. For the nine months ended September 30, 2021, the increase also reflected an increase in specialty pharmacy services.

Pre-tax adjusted income from operations. For the three and nine months ended September 30, 2021, the increase reflected benefits from the effective management of supply chain, customer growth and higher adjusted pharmacy script volumes, primarily due to our collaboration with Prime Therapeutics, partially offset by strategic investments. For the nine months ended September 30, 2021, the increase also reflected an increase in specialty pharmacy services.

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 to support whole-person health needs. 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 September 30,**		**Change Favorable (Unfavorable)**	**Nine Months Ended September 30,**		**Change Favorable (Unfavorable)**
(Dollars in millions)	**2021**	**2020**		**2021**	**2020**	
Adjusted revenues	**$ 10,497**	$ 9,629	9 %	**$ 31,315**	$ 28,726	9 %
Pre-tax adjusted income from operations	**$ 988**	$ 757	31 %	**$ 2,992**	$ 3,479	(14) %
Pre-tax adjusted margin	**9.4 %**	7.9 %	150 bps	**9.6 %**	12.1 %	(250) bps
Medical care ratio	**84.4 %**	82.6 %	(180) bps	**83.9 %**	77.2 %	(670) bps
Expense ratio	**20.1 %**	21.8 %	170 bps	**20.0 %**	22.2 %	220 bps

Three and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

Adjusted revenues increased for the three months and nine months ended September 30, 2021 compared with the same periods in 2020 reflecting customer growth in our Medicare Advantage and Individual businesses, higher premium rates due to anticipated underlying medical cost trend and higher net investment income. The nine months ended increase also reflects the absence of the premium relief programs for clients implemented in the second quarter of 2020 in response to significantly lower than historical utilization as individuals deferred care due to the COVID-19 pandemic.

Pre-tax adjusted income from operations increased for the three months ended September 30, 2021 compared with the same period in 2020. The increase is due to higher net investment income, increased specialty contributions and the repeal of the health insurance industry tax; partially offset by net unfavorable COVID-19 related impacts. The unfavorable COVID-19 related impacts include increased direct costs of COVID-19 testing, treatment and vaccines as well as lower risk adjustment revenues in our Medicare Advantage business. Pre-tax adjusted income from operations decreased for the nine months ended September 30, 2021 compared with the same period in 2020. The decrease is due to net unfavorable COVID-19 related impacts; partially offset by higher net investment income, increased specialty contributions and the repeal of the health insurance industry tax. The unfavorable COVID-19 related impacts include increased direct costs of COVID-19 testing, treatment and vaccines, the significant deferral of care by our customers in 2020, lower risk adjustment revenues in our Medicare Advantage business and increased disenrollment resulting from the economic effects of the pandemic. These impacts were partially offset by the absence of the premium relief programs implemented in the second quarter of 2020. COVID-19 impacts for the remainder of 2021 and beyond may vary as discussed in the "COVID-19 Update" section of this MD&A.

The ***medical care ratio*** increased for the three months and nine months ended September 30, 2021 compared with the same periods in 2020, reflecting COVID-19 related impacts and the repeal of the health insurance industry tax. The unfavorable COVID-19 related impacts primarily reflect higher direct COVID-19 testing, treatment and vaccine costs. The nine months ended September 30, 2021 increase also reflects the impact of the COVID-19 related deferred utilization experienced in the second quarter of 2020; partially offset by the absence of the premium relief programs.

The ***expense ratio*** decreased for the three months and nine months ended September 30, 2021 compared with the same periods in 2020, reflecting the repeal of the health insurance industry tax and increased revenue.

Medical Customers

(In thousands)	As of September 30, 2021	2020	% Change
U.S. Commercial	**2,135**	2,120	1 %
U.S. Government	**1,517**	1,413	7 %
Insured	**3,652**	3,533	3 %
Service	**11,653**	11,781	(1) %
Total	**15,305**	15,314	— %

Our medical customer base was flat at September 30, 2021 compared with the same period in 2020, reflecting a lower customer base in our National Accounts and Middle Markets segments including disenrollment resulting from the economic impacts of the COVID-19 pandemic; partially offset by growth in our Select segment as well as our Individual and Medicare Advantage businesses.

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 September 30, 2021	As of December 31, 2020	% Change
Unpaid claims and claim expenses – U.S. Medical	**$ 3,846**	$ 3,184	21 %

Our unpaid claims and claim expenses liability was higher as of September 30, 2021 compared with December 31, 2020, primarily due to stop loss seasonality, Medicare Part D invoice cycle timing and customer growth in our Individual business.

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 *(Dollars in millions)*	Three Months Ended September 30, 2021	2020	Change Favorable (Unfavorable)	Nine Months Ended September 30, 2021	2020	Change Favorable (Unfavorable)
Adjusted revenues	**$ 1,588**	$ 1,440	10 %	**$ 4,718**	$ 4,342	9 %
Pre-tax adjusted income from operations	**$ 250**	$ 208	20 %	**$ 746**	$ 809	(8) %
Pre-tax adjusted margin	**15.7 %**	14.4 %	130 bps	**15.8 %**	18.6 %	(280) bps
Loss ratio	**60.9 %**	57.4 %	(350) bps	**60.0 %**	55.1 %	(490) bps
Acquisition cost ratio	**11.2 %**	11.8 %	60 bps	**11.1 %**	10.9 %	(20) bps
Expense ratio (excluding acquisition costs)	**17.4 %**	19.5 %	210 bps	**17.8 %**	18.7 %	90 bps

Three and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

Adjusted revenues increased primarily due to business growth, higher net investment income, and the absence of COVID-19 related premium relief programs for the three months ended September 30, 2021. For the nine months ended September 30, 2021, adjusted revenues increased primarily due to favorable foreign currency movements, business growth, higher net investment income, and the absence of COVID-19 related premium relief programs.

Pre-tax adjusted income from operations increased reflecting higher net investment income and lower expense ratios, partially offset by higher loss ratios for the three months ended September 30, 2021. For the nine months ended September 30, 2021, pre-tax adjusted income from operations decreased reflecting higher loss and acquisition ratios, partially offset by higher net investment income, favorable foreign currency movements, lower expense ratios, and business growth. The loss, acquisition and expense ratios for both the three and nine months ended September 30, 2020 reflected the unfavorable impact of COVID-19 related premium relief programs.

The segment's ***loss ratio*** increased reflecting higher claims largely due to the impact of the COVID-19 pandemic, including the absence of the favorable impact of lower medical utilization in 2020 and the direct costs of COVID-19 testing and treatment.

The ***acquisition cost ratio*** decreased reflecting lower amortization expenses in Asia and the absence of the unfavorable impact of COVID-19 related premium relief programs for the three months ended September 30, 2021. For the nine months ended September 30, 2021, the acquisition cost ratio increased reflecting the absence of the favorable impact from a refinement to the accounting for acquisition costs, largely offset by lower amortization expenses in Asia.

The ***expense ratio*** (excluding acquisition costs) decreased mainly driven by lower spend across markets.

Other Items Related to International Markets Results

South Korea is the single largest geographic market for our International Markets segment. For the nine months ended September 30, 2021, South Korea generated 38% of the segment's adjusted revenues and 63% 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 September 30,**		**Change Favorable**	**Nine Months Ended September 30,**		**Change Favorable**
(Dollars in millions)	**2021**	**2020**	**(Unfavorable)**	**2021**	**2020**	**(Unfavorable)**
Adjusted revenues	**$ 140**	$ 1,314	(89) %	**$ 408**	$ 3,981	(90) %
Pre-tax adjusted income from operations	**$ 33**	$ 70	(53) %	**$ 70**	$ 279	(75) %
Pre-tax adjusted margin	**23.6 %**	5.3 %	1830 bps	**17.2 %**	7.0 %	1,020 bps

Three and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

Adjusted revenues and pre-tax adjusted income from operations decreased due to the sale of the Group Disability and Life business on December 31, 2020. Because the sold business constituted the vast majority of the segment's operations, we experienced a substantial decline in adjusted revenues and adjusted income from operations in this segment in 2021 as compared to 2020.

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 September 30,		Change Favorable (Unfavorable)	Nine Months Ended September 30,		Change Favorable (Unfavorable)
(In millions)	2021	2020		2021	2020	
Pre-tax adjusted (loss) from operations	**$ (308)**	$ (366)	16 %	**$ (1,006)**	$ (1,171)	14 %

Three and Nine Months Ended September 30, 2021 versus Three and Nine Months Ended September 30, 2020

Pre-tax adjusted loss from operations was lower, reflecting lower interest expense.

INVESTMENT ASSETS

The following table presents our investment asset portfolio excluding separate account assets as of September 30, 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)	September 30, 2021	December 31, 2020
Debt securities	**$ 17,857**	$ 18,131
Equity securities	**551**	501
Commercial mortgage loans	**1,525**	1,419
Policy loans	**1,329**	1,351
Other long-term investments	**3,429**	2,832
Short-term investments	**439**	359
Total	**$ 25,130**	$ 24,593

Investment Assets related to the international life, accident and supplemental benefits businesses subject to the recently announced divestiture (described in the Developments section of this MD&A) were approximately $4.9 billion as of September 30, 2021.

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 September 30, 2021 and December 31, 2020:

(In millions)	September 30, 2021	December 31, 2020
Federal government and agency	**$ 382**	$ 456
State and local government	**169**	167
Foreign government	**2,519**	2,511
Corporate	**14,313**	14,562
Mortgage and other asset-backed	**474**	435
Total	**$ 17,857**	$ 18,131

Our debt securities portfolio decreased slightly during the first nine months of 2021 reflecting a decrease in valuations due to increasing yields, offset by net purchase activity.

As of September 30, 2021, $15.3 billion, or 86% of the debt securities in our investment portfolio were investment grade (Baa and above, or equivalent) and the remaining $2.6 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 and Taiwan, consistent with our risk management practice and local regulatory requirements of our international business operations. We expect the amount of these foreign government obligations to decrease significantly during 2022 upon the close of our sale of certain International Markets businesses as discussed in the "Developments" section of this MD&A. Debt securities include private placement assets of $6.0 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 September 30, 2021, the $1.5 billion commercial mortgage loan portfolio consisted of approximately 50 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.

Our annual in-depth review of our commercial mortgage loan investments is the primary mechanism for monitoring the overall quality rating of the mortgage portfolio. We completed the annual in-depth review in the second quarter of 2021 that included an analysis of each underlying property's most recent annual financial statements, rent rolls, operating plans, a physical inspection of the property and a review of applicable market reports. The results of this annual review confirmed that the overall credit quality of our portfolio remains strong and was generally in line with the previous year's results.

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 $3.4 billion as of September 30, 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 and value creation in the underlying funds. 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 200 separate partnerships and approximately 100 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 limited 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 nine months of 2020 driven by the strong performance of assets underlying our limited partnership investments. The broad recovery has resulted in strong corporate earnings and higher public and private asset valuations and valuation recovery through the second quarter of 2021 is generally reflected in third quarter results consistent with the financial information reporting lag. We expect volatility in private equity and real estate fund performance going forward as fair market valuations are adjusted to reflect market and portfolio transactions.

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 $0.9 billion in Other assets. Our 50% share of the investment portfolio supporting the joint venture's business is approximately $7.4 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 September 30, 2021.

Investment Outlook

The general optimism globally fueled by business re-opening combined with unprecedented monetary and fiscal support from the U.S. government supports expectations for continued economic growth. U.S. treasury rates have increased from their historic lows during 2020, but 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. While this continues to pressure the income we earn on our fixed income investments, it has been more than offset by our limited partnership results, which are reflecting improved growth prospects. We continue to actively monitor the economic impact of the pandemic, including supply chain, labor market and inflation dynamics, as well as fiscal and monetary responses and their potential impact on the portfolio. Over the balance of 2021, we expect net investment income and investment valuations will reflect the optimism within public and private markets for the continued economic recovery, along with the potential for increasing market volatility with resulting net investment income and asset valuation impacts. 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 September 30, 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 September 30, 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. For information regarding legal proceedings terminated during the quarter ended June 30, 2021, refer to Note 15 to the Consolidated Financial Statements contained in Part I of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.

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 September 30, 2021:

Period	Total # of shares purchased [1]	Average price paid per share [1]	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]
July 1-31, 2021	**1,538,889**	**$ 232.43**	**1,536,623**	**$ 3,842,810,336**
August 1-31, 2021	**8,747,861**	*(1)*	**8,745,737**	**$ 1,619,335,337**
September 1-30, 2021	**1,854**	**$ 208.07**	**—**	**$ 1,619,335,337**
Total	**10,288,604**	*(1)*	**10,282,360**	**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 2,266 shares in July, 2,124 shares in August and 1,854 shares in September 2021. Amount purchased in August 2021 also reflects the initial delivery of 7.7 million shares pursuant to the ASR agreements discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I, Item 2. Such repurchase was made pursuant to the Company's share repurchase program described in note (2) below. Average price paid per share for the period August 1-31, 2021 for shares not purchased pursuant to the ASR agreements was $214.11.

(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 October 2021, the Board increased repurchase authority by an additional $5 billion. Share repurchase authority was $6.6 billion as of November 3, 2021.

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

Item 5. ***OTHER INFORMATION***

Amended and Restated By-laws

Effective as of November 2, 2021, as a result of its annual review of its corporate governance practices, the Board of Directors of the Company adopted restated by-laws (the “By-Laws”) in order to, among other things: (1) provide that shareholder meetings may be held by means of remote communication; (2) eliminate the default date for the annual meeting of shareholders; (3) clarify that the Board may postpone, reschedule or cancel any shareholder meeting; (4) clarify the rules of conduct for a shareholder meeting; (5) update the procedural and information requirements for shareholders to submit director nominations and shareholder proposals; (6) provide procedures for shareholder nominations at special meetings of shareholders where directors are to be elected; (7) permit special meetings of the Board to be called on less than 12 hours’ notice if the person calling the meeting deems it to be necessary or appropriate under the circumstances; (8) add provisions allowing the Board to operate with reduced procedural requirements and take other actions during an emergency, disaster or catastrophe; and (9) make certain other updates, clarifications and ministerial and conforming changes.

The foregoing summary does not purport to be a complete description of the By-Laws and is qualified in its entirety by reference to the complete text of the By-Laws, a copy of which is filed herewith as Exhibit 3.1 to this Quarterly Report on Form 10-Q and is incorporated by reference in this Item 5.

Executive Officer Retirements

On September 23, 2021, the Company filed a Form 8-K disclosing the retirements of Matthew G. Manders, President, Government & Solutions, and Timothy C. Wentworth, Chief Executive Officer, Evernorth. On November 3, 2021, the Company and Mr. Manders executed a Retirement Agreement (the “Manders Retirement Agreement”) and agreed to extend Mr. Manders’ retirement date to December 17, 2021. On November 3, 2021, the Company and Mr. Wentworth executed a Retirement Agreement (the “Wentworth Retirement Agreement”) and agreed to extend Mr. Wentworth’s retirement date to February 4, 2022. Effective January 1, 2022, Mr. Wentworth will transition to a non-executive officer role and will continue to provide services on ongoing projects through his retirement date.

Each of the Retirement Agreements include customary confidentiality, non-solicitation, non-competition and non-disparagement provisions. In addition, the agreements provide for benefits, subject to the execution of a Release Agreement, consisting of: (1) the payment of an annual cash incentive for service in 2021 at 100% of their respective annual target; (2) consistent with the terms governing treatment of equity awards upon retirement under the Cigna Long-Term Incentive Plan at the time such awards were made (a) for awards granted prior to December 2020, unexercised and unvested stock options and unvested restricted stock awards will become vested and exercisable upon retirement; (b) for awards granted in February 2021, unvested stock options and unvested restricted stock awards will continue to vest and become exercisable on the originally scheduled vesting dates for those awards; and (c) the payout of previously awarded Strategic Performance Shares ("SPSs") for the 2019 – 2021, 2020 – 2022, and 2021– 2023 performance periods, prorated based on the number of months that each of Mr. Manders and Mr. Wentworth would have been employed during each 36-month performance period as if their employment continued through December 31, 2021. The estimated aggregate value of these benefits is approximately $8.7 million with respect to Mr. Manders and approximately $13.7 million with respect to Mr. Wentworth, based on a stock price of $218.25 per share, the closing price of Cigna's common stock on November 3, 2021.

The percentage of actual shares earned and timing of the payment of the SPS awards will be determined by the People Resources Committee of the Board of Directors in accordance with the terms of the Cigna Long-Term Incentive Plan. Stock options awarded under the Cigna Long-Term Incentive Plan will expire at their original term.

Mr. Manders and Mr. Wentworth have each also entered into an Advisory Services Agreement (each, an "Advisory Services Agreement") with the Company, pursuant to which each will provide advice and counsel to senior management on business planning and strategy. Each will be paid $10,000 per day for each day during which he performs advisory services. The Advisory Services Agreements expire on December 31, 2022.

Item 6. ***EXHIBITS***

INDEX TO EXHIBITS

Number	Description	Method of Filing
3.1	Amended and Restated By-Laws of Cigna Corporation as last amended November 2, 2021.	Filed herewith.
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	The following materials from Cigna Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 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 Flows; 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.

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: November 4, 2021

CIGNA CORPORATION

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

Exhibit 3.1

RESTATED BY-LAWS OF

CIGNA CORPORATION

(A Delaware Corporation)

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the Corporation within the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors shall from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Shareholders

Section 1. Place of Meetings. All meetings of the shareholders for the election of directors or for any other purpose shall be held at any such place, either within or without the State of Delaware, or by means of remote communication pursuant to the Delaware General Corporation Law (the "DGCL"), as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

Section 2. Annual Meeting. The annual meeting of shareholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At such annual meeting, the shareholders shall elect directors to the Board of Directors and transact such other business as may properly be brought before the meeting. The Board of Directors may postpone, reschedule or cancel any previously scheduled annual meeting of shareholders for any reason. A nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of shareholders for which the number of director nominees exceeds the number of directors to be elected (a "contested election"). A contested election shall be deemed to exist at any meeting of shareholders for which (a) the Corporate Secretary of the Corporation receives a notice that a shareholder has nominated a person for election to the Board of Directors in compliance with Section 11 or Section 13 of this Article II and (b) such nomination has not been withdrawn by such shareholder on or prior to the day next preceding the date the Corporation first mails its notice of meeting for such meeting to the shareholders. If directors are to be elected in a contested election, shareholders shall not be permitted to vote against a nominee.

Section 3. Special Meetings.

(a) Special meetings of shareholders, unless otherwise prescribed by statute, may only be called (i) at any time by the Board of Directors, the Chief Executive Officer or the Chairman of the Board or (ii) pursuant to the procedures set forth in Section 3(b) of this Article II. The Board of Directors may postpone, reschedule or cancel any previously scheduled special meeting of shareholders called pursuant to the foregoing clause (i) for any reason.

(b) A special meeting of the shareholders shall be called by the Corporate Secretary of the Corporation upon the request in proper written form (a "Special Meeting Request") of one or more shareholders that have Net Long Beneficial Ownership, and will have had continuous Net Long Beneficial Ownership for a period of at least one full year prior to the date of such request, of capital stock of the Corporation representing at least 25% of the voting power of the issued and outstanding capital stock of the Corporation entitled to vote on matters to be presented at the special meeting (the "Requisite Percentage"). The Board of Directors may submit its own proposal or proposals for consideration at a special meeting called at the request of one or more shareholders.

(i) A Special Meeting Request must be delivered to or mailed and received by the Corporate Secretary of the Corporation at the principal executive offices of the Corporation, in accordance with the terms of this Section 3(b). A Special Meeting Request shall be valid only if it is signed and dated by each shareholder of record submitting the Special Meeting Request and each beneficial owner, if any, on whose behalf the Special Meeting Request is being made, or such shareholder's or beneficial owner's duly authorized agent (each, a "Requesting Shareholder"). Any beneficial owner who wishes to deliver a Special Meeting Request must cause the nominee or other person who serves as the record shareholder of such beneficial owner's stock to sign such Special Meeting Request. If a record shareholder is the nominee for more than one beneficial owner of stock, the record shareholder may deliver a Special Meeting Request solely with respect to the common stock of the Corporation owned by the beneficial owner who is directing the record shareholder to sign such Special Meeting Request. The term "Requesting Shareholder" shall not include any shareholder that has provided a request to call a special meeting in response to a solicitation made pursuant to, and in accordance with, Section 14 of the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act") by way of a definitive consent solicitation statement filed with the U.S. Securities and Exchange Commission (the "SEC").

(ii) To be in proper written form, a Special Meeting Request must include the following information: (1) in the case of any director nominations proposed to be presented at the special meeting, all of the information, statements, questionnaires and representations required by Section 11(c) of this Article II; (2) in the case of any shareholder proposals proposed to be presented at the special meeting, all of the information, statements and representations required by Section 12(c) of this Article II; (3) an agreement by the Requesting Shareholder to notify the Corporation promptly in the event of (A) any disposition prior to the time of the special meeting of any shares included within any Requesting Shareholder's Net Long Beneficial Ownership as of the

date on which the Special Meeting Request was delivered to the Corporate Secretary of the Corporation and (B) any other material change prior to the time of the special meeting in any Requesting Shareholder's Net Long Beneficial Ownership; (4) an acknowledgement that (A) any disposition prior to the date of the special meeting of any capital stock of the Corporation included in any Requesting Shareholder's Net Long Beneficial Ownership as of the date on which the Special Meeting Request was delivered to the Corporate Secretary of the Corporation shall be deemed to be a revocation of such Special Meeting Request with respect to such disposed shares and (B) that any decrease in the Requesting Shareholders' aggregate Net Long Beneficial Ownership to less than the Requisite Percentage shall be deemed to be an absolute revocation of such Special Meeting Request; and (5) documentary evidence that the Requesting Shareholders had Net Long Beneficial Ownership of at least the Requisite Percentage as of the date of delivery of the Special Meeting Request to the Corporate Secretary of the Corporation and for a period of at least one full year prior to the date of delivery of such Special Meeting Request; provided, however, that if any of the Requesting Shareholders are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence that the beneficial owners on whose behalf the Special Meeting Request is made had, together with any Requesting Shareholders who are beneficial owners, Net Long Beneficial Ownership of the Requisite Percentage as of the date of delivery of such Special Meeting Request to the Corporate Secretary of the Corporation and for a period of at least one full year prior to the date of delivery of such Special Meeting Request.

(iii) In addition, the Requesting Shareholders on whose behalf the Special Meeting Request is being made shall (1) update the information provided in the Special Meeting Request, if necessary, so that the information provided or required to be provided therein shall be true and correct as of the record date for the special meeting (with such information to be delivered no later than five business days after such record date) and as of the date that is 10 business days prior to the date of the special meeting or any adjournment, postponement or rescheduling thereof, or, if there are fewer than 10 business days between the date of the special meeting and any such adjourned, postponed or rescheduled meeting, then as of the date of such adjourned, postponed or rescheduled meeting (with such information to be delivered no later than five business days prior to the date of such meeting) and (2) promptly provide any other information reasonably requested by the Corporation. Information provided pursuant to the preceding sentence shall be delivered to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation as set forth in the immediately preceding sentence or as promptly as practicable following the applicable request. A failure to deliver such information as required shall constitute a revocation of the applicable Special Meeting Request applicable Requesting Shareholder(s).

(iv) If any information submitted pursuant to this Section 3(b) is inaccurate or incomplete in any material respect, such information shall be deemed not to have been provided in accordance with these By-Laws. The Requesting Shareholder shall notify the Corporate Secretary in writing at the principal executive offices of the Corporation of any inaccuracy or change in any information submitted pursuant to this Section 3(b) within two business days after becoming aware of such inaccuracy or change. Upon written

request of the Corporate Secretary on behalf of the Board of Directors (or a duly authorized committee thereof), the Requesting Shareholder shall provide, within seven business days after delivery of such request (or such longer period as may be specified in such request), (1) written verification, reasonably satisfactory to the Board of Directors, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the Requesting Shareholder pursuant to this Section 3(b), and (2) a written affirmation of any information submitted by the Requesting Shareholder pursuant to this Section 3(b) as of an earlier date. If the Requesting Shareholder fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with these By-Laws.

(v) A Special Meeting Request shall not be valid, and a special meeting requested by shareholders shall not be held, if (1) the Special Meeting Request does not comply with this Section 3(b); (2) the Special Meeting Request relates to an item of business that is not a proper subject for shareholder action under the DGCL; (3) the Special Meeting Request is delivered during the period commencing 120 days prior to the first anniversary of the date of the immediately preceding annual meeting of shareholders and ending on the earlier of (A) the date of the next annual meeting or (B) 120 days after the first anniversary of the date of the previous annual meeting; (4) an identical or substantially similar item (as determined in good faith by the Board of Directors), other than the election of directors, (A) was presented at an annual or special meeting of shareholders held not more than 12 months before delivery of the Special Meeting Request or (B) is included in the Corporation's notice of meeting as an item of business to be brought before an annual or special meeting of shareholders that has been called but not yet held or that is called for a date within 120 days of the receipt by the Corporation of a Special Meeting Request; or (5) the Special Meeting Request was made in a manner that involved a violation of the Exchange Act or other applicable law.

(vi) Special meetings of shareholders validly requested pursuant to this Section 3(b) shall be held not more than 120 days after receipt by the Corporation of a valid Special Meeting Request.

(vii) The Requesting Shareholders (or any of them) may revoke a Special Meeting Request by written revocation delivered to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation at any time prior to the special meeting. If, following such revocation (or any deemed revocation pursuant to clause (4) of Section 3(b)(ii), there are unrevoked requests from Requesting Shareholders holding in the aggregate less than the Requisite Percentage (or there are no unrevoked requests at all), the Board of Directors, in its discretion, may cancel the special meeting.

(viii) If none of the Requesting Shareholders (or any Qualified Representative thereof) appears (including virtually, in the case of a meeting held solely by means of remote communication) to present the business specified in the Special Meeting Request to be presented for consideration, the Corporation need not present such business for a vote at the special meeting, notwithstanding that proxies in respect of such business may have been received by the Corporation.

(ix) Business transacted at any special meeting called pursuant to this Section 3(b) shall be limited to (1) the purpose(s) stated in a valid Special Meeting Request received from the Requesting Shareholders holding in the aggregate the Requisite Percentage and (2) any additional matters that the Board of Directors determines to include in the Corporation's notice of the special meeting.

(x) The Board of Directors shall determine in good faith whether all requirements set forth in this Section 3(b) have been satisfied and such determination shall be binding on the Corporation and its shareholders.

Section 4. Notice of Meetings. Except as otherwise expressly required by statute, written notice, or notice in the form of electronic transmission to shareholders who have consented to receive notice in such form, of each annual and special meeting of shareholders stating the place, date and time of the meeting, the means of remote communication (if any) by which shareholders and proxyholders may be deemed present in person and may vote at the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, as permitted by applicable law, to each shareholder of record entitled to notice of the meeting not less than 10 days nor more than 60 days before the date of such meeting. Business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice. If mailed, such notice shall be sent in a postage prepaid envelope, addressed to the shareholder at his or her address as it appears on the records of the Corporation. Such notice shall be deemed given (a) if by mail, at the time when the same shall be deposited in the United States mail, postage prepaid; (b) if by facsimile telecommunication, when directed to a number at which the shareholder has consented to receive notice; (c) if by electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive such notice; (d) if by a posting on an electronic network together with a separate notice to the shareholder of such specific posting, upon the later to occur of (i) such posting, or (ii) the giving of the separate notice of such posting; or (e) if by any other form of electronic communication, when directed to the shareholder in the manner consented to by the shareholder. Any such consent shall be revocable by the shareholder by written notice to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Corporate Secretary or Assistant Corporate Secretary of the Corporation or to the transfer agent or other person responsible for giving notice; provided, however, that inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice of any meeting shall not be required to be given to any person who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, or who, either before or after the meeting, shall submit a signed written waiver of notice, or a waiver by electronic transmission, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of shareholders need be specified in any written waiver of notice.

Section 5. List of Shareholders. The Corporate Secretary of the Corporation, or such other person who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of and the number of

shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, in the manner provided by law. The list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder who is present. If the meeting is to be held by means of remote communication, then such list shall also be open to the examination of any shareholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 6. Quorum, Adjournments. The holders of at least two-fifths of the issued and outstanding stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of shareholders, except as otherwise required by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented by proxy at any meeting of shareholders, a majority of the voting power entitled to vote thereon, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. The chairman of the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, regardless of quorum. No notice of the time and place of the adjourned meeting and means of remote communication (if any) by which shareholders and proxyholders may be deemed present in person and vote at such adjourned meeting need be given except as required by law. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than 30 days, or, if after adjournment a new record date is set, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 7. Organization. At each meeting of shareholders, the Chairman of the Board or, in the Chairman's absence, a director or officer of the Corporation chosen by the Board of Directors at the meeting, shall act as chairman of the meeting. The Corporate Secretary or, in the Corporate Secretary's absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

Section 8. Order of and Rules for Conducting Business. The order of and the rules, regulations and procedures for conducting business at all meetings of the shareholders shall be as determined by the chairman of the meeting or the Board of Directors. Such rules, regulations or procedures, whether adopted by the chairman of the meeting or the Board of Directors, may include, without limitation, the following: (a) the establishment of an agenda for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present at the meeting; (c) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time allotted to questions or comments by participants; (f) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (g) removal of any shareholder or any other individual who refuses to comply with meeting rules, regulations or procedures; (h) restrictions

on the use of audio and video recording devices, cell phones and other electronic devices; (i) rules, regulations and procedures for compliance with any federal, state or local laws or regulations including those concerning safety, health or security; (j) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting; and (k) any rules, regulations or procedures as the chairman of the meeting may deem appropriate regarding the participation by means of remote communication of shareholders and proxyholders not physically present at a meeting, whether such meeting is to be held at a designated place or solely by means of remote communication. Unless and to the extent determined by the chairman of the meeting or the Board of Directors, meetings of shareholders shall not be required to be held in accordance with the rules of parliamentary procedure. The chairman of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if the chairman of the meeting should so determine, he or she shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered.

Section 9. Voting. Except as otherwise provided by statute, the Certificate of Incorporation, or any resolution or resolutions adopted by the Board of Directors pursuant to the authority vested in it by the Certificate of Incorporation, each shareholder of the Corporation shall be entitled at each meeting of shareholders to one vote for each share of capital stock of the Corporation standing in such shareholder's name on the record of shareholders of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 7 of Article V as the record date for the determination of the shareholders who shall be entitled to vote at such meeting; or

(b) if no such record date shall have been fixed, then at 5:00 p.m. Eastern Time (the "close of business") on the day next preceding the day on which notice thereof shall be given, or, if notice is waived by all shareholders, at the close of business on the day next preceding the day on which the meeting is held.

Each shareholder entitled to vote at any meeting of shareholders may vote in person or may authorize another person or persons to act for such shareholder by a proxy authorized by an instrument in writing or by a transmission permitted by law delivered to the Inspectors of Election, but no such proxy shall be voted after three years from its date, unless the proxy provides for a longer period. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A shareholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering an instrument in writing or a transmission permitted by law revoking the proxy or constituting another valid proxy bearing a later date to the Inspectors. Any such proxy shall be delivered to the Inspectors, or such other person so designated to receive proxies, at or prior to the time designated in the order of business

for so delivering such proxies. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the Corporation present in person or by proxy at such meeting and entitled to vote on the subject matter, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the shareholder voting, or by the shareholder's proxy, if there be such proxy, and shall state the number of shares voted.

Section 10. Inspectors of Election. The Board of Directors, the Chairman of the Board or the Chief Executive Officer shall, in advance of any meeting of shareholders, appoint one or more Inspectors of Election to act at the meeting or at any adjournment and make a written report thereof, and may designate one or more persons as alternate Inspectors to replace any Inspectors who fail to act. If no Inspector or alternate is able to act at a meeting of shareholders, the chairman of the meeting shall appoint one or more Inspectors to act at the meeting. Each Inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of Inspector at such meeting with strict impartiality and according to the Inspector's best ability. The Inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting and the validity of proxies and ballots, receive and count all votes and ballots, determine all challenges and questions arising in connection with the right to vote, retain for a reasonable period a record of the disposition of any challenges made to any determination by the Inspectors, and certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots and report the same to the chairman of the meeting, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. The Inspectors may appoint or retain other persons or entities to assist the Inspectors in the performance of the duties of the Inspectors. The date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the Inspectors after the closing of the polls unless the Court of Chancery upon application by a shareholder shall determine otherwise. On request of the chairman of the meeting, the Inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an Inspector of an election of directors. Inspectors need not be shareholders.

Section 11. Nomination of Directors.

(a) Nominations of persons for election to the Board of Directors of the Corporation may be made at an annual meeting of shareholders (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section 11 and through the time of the annual meeting, who shall be entitled to vote for the election of directors at the annual meeting and who complies with the notice procedures set forth in this Section 11, or (iii) pursuant to and in compliance with the procedures set forth in Section 13 of this Article II. For nominations to be properly brought before an annual meeting by a Noticing Shareholder pursuant to clause (ii) of the preceding

sentence, (A) the Noticing Shareholder must have given timely notice thereof (meeting the requirements hereinafter set forth) in proper written form to the Corporate Secretary of the Corporation, (B) the Noticing Shareholder must provide to the Corporate Secretary any updates to such notice at the times and in the forms specified in this Section 11 and (C) the Noticing Shareholder and any beneficial owner on whose behalf a nomination is made must comply with the representation set forth in such Noticing Shareholder's Shareholder Solicitation Statement (as defined below).

(b) To be timely, a shareholder's notice for an annual meeting pursuant to clause (ii) of Section 11(a) of this Article II shall be received by the Corporate Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the day that is 90 days, nor earlier than the close of business on the day that is 120 days, prior to the first anniversary of the date of the preceding year's annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is more than 30 days before or 60 days after such anniversary date or if no such meeting was held in the preceding year, notice by a shareholder shall be timely only if received (i) not earlier than the close of business on the day that is 120 days prior to such annual meeting and (ii) not later than the close of business on the day that is 90 days before such annual meeting or, if later, no later than the close of business on the day that is 10 days after the first Public Announcement of the date of such annual meeting. The number of nominees a shareholder may nominate for election at an annual meeting of shareholders shall not exceed the number of directors to be elected at such annual meeting. In no event shall any adjournment, postponement or rescheduling of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(c) A Noticing Shareholder's notice shall set forth:

(i) as to each person whom the Noticing Shareholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"):

(1) all information relating to such person that is required to be disclosed in a proxy statement or other filing made by any Proponent Person in connection with the contested solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), whether or not such Proponent Person intends to deliver a proxy statement or conduct its own proxy solicitation;

(2) a commitment that such person, if elected, will tender, promptly following such person's election, an irrevocable resignation effective upon such person's failure to receive the required vote for reelection at any future meeting at which such person would face reelection and upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation's Board Corporate Governance Guidelines;

(3) identification of the names and addresses of other shareholder(s) (including beneficial owner(s)) known by such Proposed Nominee to support a nomination or proposal of business by the Noticing Shareholder, and to the extent known, the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other shareholder(s) (or other beneficial owner(s)) (the information described in the foregoing clauses (1) and (2) and this clause (3), the "Shareholder Nominee Information");

(4) a description of all direct and indirect compensation or other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Proponent Person, on the one hand, and each Proposed Nominee and such Proposed Nominee's respective Affiliates and Associates, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K as if any Proponent Person were the "registrant" for purposes of such rule and such Proposed Nominee were a director or executive officer of such registrant;

(5) a description of (A) any agreement, arrangement or understanding with, or any commitment or assurance to, any person or entity as to how such nominee, if elected as a director of the Corporation, will act or vote on any issue or question to be decided by the Board of Directors or that otherwise relates to the Corporation or such persons' service on the Board of Directors (a "Voting Commitment"), (B) any compensatory, payment or other financial agreement, arrangement or understanding with any person other than with the Corporation, including any agreement to indemnify such person for obligations arising as a result of his or her service as a director of the Corporation, in connection with such nominee's nomination, service or action as a director of the Corporation (a "Third Party Compensation Arrangement") and (C) any business or personal interests that could place such Proposed Nominee in a potential conflict of interest with the Corporation or any of its subsidiaries;

(6) a written questionnaire with respect to the background and qualification of such Proposed Nominee, completed by such Proposed Nominee in the form required by the Corporation (which form such Noticing Shareholder shall request in writing from the Corporate Secretary prior to submitting notice and which the Corporate Secretary shall provide to such Noticing Shareholder within 10 days after receiving such request); and

(7) a written representation and agreement completed by such Proposed Nominee in the form required by the Corporation (which form such Noticing Shareholder shall request in writing from the Corporate Secretary prior to submitting notice and which the Corporate Secretary shall provide to such Noticing Shareholder within 10 days after receiving such request), providing, among other things, that such Proposed Nominee: (1) is not and will not become a party to any Voting Commitment that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such Proposed

Nominee's ability to comply, if elected as a director of the Corporation, with such Proposed Nominee's fiduciary duties under applicable law; (2) is not and will not become a party to any Third Party Compensation Agreement that has not been disclosed to the Corporation; (3) will, if elected as a director of the Corporation, comply with all applicable laws and stock exchange listing standards and the Corporation's policies, guidelines and principles applicable to directors, including, without limitation, the Corporation's Board Corporate Governance Guidelines, Code of Ethics and Principles of Conduct, the Director Code of Business Conduct and Ethics, confidentiality, share ownership and trading policies and guidelines, and any other codes, policies and guidelines or any rules, regulations and listing standards, in each case as applicable to directors, and all applicable fiduciary duties under state law; (4) intends to serve a full term as a director of the Corporation, if elected; and (5) will provide facts, statements and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(ii) as to each Noticing Shareholder:

(1) the name and address, as they appear on the Corporation's stock ledger, of such Noticing Shareholder; and

(2) a representation that the Noticing Shareholder is a shareholder of record of stock of the Corporation at the time of the giving of notice provided for in these By-Laws, is entitled to vote at such meeting and that the Noticing Shareholder (or a Qualified Representative thereof) intends to appear in person at the meeting to present such nominee for election or to bring such business before the meeting and an acknowledgement that, if such Noticing Shareholder (or a Qualified Representative thereof) does not appear at such meeting (including virtually in the case of a meeting held solely by means of remote communication) to present the Noticing Shareholder's Proposed Nominee(s) for election or proposed business, as applicable, the Corporation need not present the Noticing Shareholder's nominee for election or business for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation;

(iii) as to each Noticing Shareholder and the beneficial owner(s), if different from such Noticing Shareholder, on whose behalf the notice is given, (1) a description of all agreements, arrangements or understandings between or among the Noticing Shareholder, beneficial owner(s) and/or any other person(s) (including any Proposed Nominee(s)) (naming such person(s)) pursuant to which a nomination is to be made or business is to be proposed by the Noticing Shareholder and/or (2) identification of the names and addresses of such other shareholder(s) (including beneficial owner(s)) known by such Noticing Shareholder or beneficial owner(s) to support such nomination or proposed business, and to the extent known, the class and number of all shares of the

Corporation's capital stock owned beneficially or of record by such other shareholder(s) (or other beneficial owner(s));

(iv) as to each Proponent Person:

(1) (A) the class, series and number of shares of the Corporation that are, directly or indirectly, beneficially owned or owned of record by such Proponent Person (including any class or series of shares of capital stock of the Corporation as to which such Proponent Person has a right to acquire beneficial ownership at any time in the future), the date or dates such shares were acquired, the investment intent of such acquisition and any pledge by such Proponent Person with respect to any of such shares, (B) any Derivative Instrument owned beneficially, directly or indirectly, by any such Proponent Person or to which any such Proponent Person is a party, all of which Derivative Instruments shall be disclosed without regard to whether (x) any such Derivative Instrument conveys any voting rights in shares of any class or series of capital stock of the Corporation to such Proponent Person, (y) any such Derivative Instrument is required to be, or is capable of being, settled through delivery of shares of any class or series of capital stock of the Corporation or (z) such Proponent Person may have entered into other transactions that hedge or mitigate the economic effect of such Derivative Instrument, (C) a description of any proxy (other than a revocable proxy given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), contract, arrangement, understanding or relationship pursuant to which any such Proponent Person has a right to vote, directly or indirectly, any shares of the Corporation or influence the voting over any such shares, (D) any rights to dividends on the shares of the Corporation owned beneficially, directly or indirectly, by any such Proponent Person that are separated or separable from the underlying shares of the Corporation, (E) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership limited liability company or similar entity in which any such Proponent Person is (x) a general partner or, directly or indirectly, beneficially owns an interest in a general partner or (y) the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity, (F) any performance-related fees (other than an asset-based fee) that any such Proponent Person is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, including, without limitation, any such interests held by members of any such Proponent Person's immediate family sharing the same household and (G) any direct or indirect interest of such Proponent Person in any contract with the Corporation or any Affiliate of the Corporation (including any employment agreement, collective bargaining agreement or consulting agreement);

(2) a complete and accurate description of any pending, or to such Proponent Person's knowledge, threatened, legal proceeding in which such Proponent Person is a party or participant involving the Corporation or, to such

Proponent Person's knowledge, any current or former officer, director, Affiliate or Associate of the Corporation;

(3) a complete and accurate description of any violations by such Proponent Person of federal or state securities laws relating to the disclosure of information (and supplemental disclosure that, if had been provided, would have cured such violation) and of any breach of a contract with the Corporation by such Proponent Person;

(4) all other information relating to such Proponent Person which would be required to be included in a proxy statement or other filing required to be filed with the SEC if, with respect to any such nomination or item of business, such Proponent Persons were a participant in a contested solicitation subject to Regulation 14A under the Exchange Act, whether or not any such Proponent Person intends to deliver a proxy statement or conduct its own proxy solicitation;

(5) any other information about any Derivative Instrument that would be required to be disclosed in a proxy statement or other filing required to be filed with the SEC if, with respect to any such nomination or item of business, such Proponent Persons was a participant in a solicitation subject to Regulation 14A under the Exchange Act, as if such Derivative Instrument was treated the same as securities of the Corporation under such requirements;

(6) all information that would be required to be disclosed in a Schedule 13D in respect of the Corporation pursuant to the Exchange Act and the rules and regulations promulgated thereunder (or any successor provision of law) (regardless of whether the requirement to file a Schedule 13D is applicable to the Proponent Person); and

(7) a statement whether or not such Proponent Person intends to, or is part of a group that intends to, (A) deliver a proxy statement and form of proxy to a sufficient number of holders of the Corporation's voting shares reasonably believed by such shareholder or beneficial owner to elect such Proposed Nominee(s) or to carry such proposal under applicable law or (B) otherwise engage in a solicitation (within the meaning of Rule 14a-1(l) under the Exchange Act) with respect to the nomination or proposal, and if so, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation (such statement, a "Shareholder Solicitation Statement").

(d) The Corporation may request any Proponent Person and any Proposed Nominee to furnish such additional information as may be reasonably required by the Board of Directors. Such Proponent Person and/or Proposed Nominee shall provide such additional information within 10 days after it has been requested by the Corporation. The Board of Directors may require any Proposed Nominee to submit to interviews with the Board of Directors or any committee thereof to determine the eligibility, suitability or qualifications of such Proposed Nominee to serve as a director, and such Proposed Nominee shall make himself or herself

available for any such interviews within no less than 10 business days following the date of such request.

(e) A Noticing Shareholder providing notice pursuant to this Section 11 or Section 12 of this Article II shall update such notice and other information provided to the Corporation so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is 10 business days prior to the meeting or any adjournment, postponement or rescheduling thereof, and such update shall be delivered in writing to the Corporate Secretary at the principal executive offices of the Corporation not later than 10 days after the record date of the meeting (in the case of the update required to be made as of the record date), and not later than eight business days prior to the date for the meeting or any adjournment, postponement or rescheduling thereof (in the case of the update required to be made as of 10 business days prior to the meeting or any adjournment, postponement or rescheduling thereof). For the avoidance of doubt, the obligation to update as set forth in this Section 11(e) or in any other Section of these By-Laws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a shareholder, extend any applicable deadlines hereunder or under any other provisions of these By-Laws or enable or be deemed to permit a shareholder who has previously submitted a notice hereunder or under any other provision of these By-Laws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of the shareholders. If a Noticing Shareholder fails to provide any written update in accordance with this Section 11(e), the information as to which such written update relates may be deemed not to have been provided in accordance with these By-Laws.

(f) If any information submitted pursuant to this Section 11 or Section 12 of this Article II, as applicable, is inaccurate or incomplete in any material respect, such information shall be deemed not to have been provided in accordance with these By-Laws. The Noticing Shareholder shall notify the Corporate Secretary in writing at the principal executive offices of the Corporation of any inaccuracy or change in any information submitted pursuant to this Section 11 or Section 12 of this Article II, as applicable, within two business days after becoming aware of such inaccuracy or change. Upon written request of the Corporate Secretary on behalf of the Board of Directors (or a duly authorized committee thereof), the Noticing Shareholder shall provide, within seven business days after delivery of such request (or such longer period as may be specified in such request), (i) written verification, reasonably satisfactory to the Board of Directors, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the Noticing Shareholder pursuant to this Section 11 or Section 12 of this Article II, as applicable, and (ii) a written affirmation of any information submitted by the Noticing Shareholder pursuant to this Section 11 or Section 12 of this Article II, as applicable, as of an earlier date. If the Noticing Shareholder fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with these By-Laws.

(g) At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the Corporate Secretary of the Corporation that information required to be set forth in a Noticing Shareholder's notice of nomination which

pertains to a Proposed Nominee. No person shall be eligible for election at any meeting of shareholders as a director of the Corporation unless nominated by the Board or in compliance with the procedures set forth in this Section 11 or pursuant to and in compliance with the procedures set forth in Section 3(b) of this Article II or Section 13 of this Article II. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in compliance with the procedures prescribed by these By-Laws, and if the chairman of the meeting should so determine, he or she shall so declare to the meeting and the defective nominations shall be disregarded. If the Noticing Shareholder (or a Qualified Representative thereof) does not appear (including virtually, in the case of a meeting held solely by means of remote communication) at a meeting of shareholders to present the Noticing Shareholder's Proposed Nominee(s), the nomination of such Proposed Nominee(s) shall be disregarded, notwithstanding that proxies in favor thereof may have been received by the Corporation.

(h) Notwithstanding anything in this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, a shareholder's notice required by this Section 11 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public disclosure is first made by the Corporation.

(i) Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or any duly authorized committee thereof, (ii) by shareholders pursuant to Section 3(b) of this Article II or (iii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any shareholder of the Corporation who is a shareholder of record at the time the notice provided for in this Section 11 is delivered to the Corporate Secretary, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 11. For nominations to be properly brought before a special meeting by a Noticing Shareholder pursuant to clause (iii) of the preceding sentence, (1) the Noticing Shareholder must have given timely notice thereof (meeting the requirements hereinafter set forth) in proper written form to the Corporate Secretary of the Corporation, (2) the Noticing Shareholder must provide to the Corporate Secretary any updates to such notice at the times and in the forms specified in this Section 11 and (3) the Noticing Shareholder and any beneficial owner on whose behalf a nomination is made must comply with the representation set forth in such Noticing Shareholder's Shareholder Solicitation Statement. In the event the Corporation calls a special meeting of shareholders for the purpose of electing one or more directors to the Board of Directors, any such shareholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the shareholder's notice required by this Section 11 shall be received by the Corporate Secretary at the principal executive offices of the Corporation not earlier than the close of business on the day that is 120 days before such special meeting and not later than the close of business on the day that is the later of (A) 90 days before such special meeting or (B) 10 days following the day on which Public Announcement of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. To be in proper

written form, such notice must include all of the information, statements, questionnaires and representations required by Section 11(c) of this Article II. The number of nominees a shareholder may nominate for election at a special meeting shall not exceed the number of directors to be elected at such special meeting. In no event shall the adjournment, postponement or rescheduling of a special meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(j) Notwithstanding the foregoing provisions of this Section 11, a Noticing Shareholder shall also comply with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any rights of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

Section 12. Notice of Shareholder Business.

(a) At the annual meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 and Section 13 of this Article II) must be a proper subject for shareholder action under the DGCL and must be (a) specified in the notice of meeting (or any supplement thereto) given by the Corporation; (b) brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a shareholder of the Corporation who is a shareholder of record at the time of giving of notice provided for in this Section 12 and through the time of the annual meeting, who has complied with the notice procedures set forth in this Section 12, and who shall be entitled to vote on such business. For business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 and Section 13 of this Article II) to be properly brought before an annual meeting by a Noticing Shareholder, (i) the Noticing Shareholder must have given timely notice thereof (meeting the requirements hereinafter set forth) in proper written form to the Corporate Secretary of the Corporation, (ii) such business must be a proper matter for shareholder action under the DGCL and (iii) the Noticing Shareholder and any beneficial owner on whose behalf such business is proposed must comply with the representation set forth in such Noticing Shareholder's Shareholder Solicitation Statement. To be timely, a Noticing Shareholder's notice for an annual meeting pursuant to this Section 12 must be delivered to or mailed and received by the Corporate Secretary of the Corporation at the principal executive offices of the Corporation, not later than the close of business on the day that is 90 days, nor earlier than the close of business on the day that is 120 days, prior to the first anniversary of the date of the preceding year's annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is more than 30 days before or 60 days after such anniversary date or if no such meeting was held in the preceding year, notice by a shareholder shall be timely only if received (1) not earlier than the close of business on the day that is 120 days prior to such annual meeting and (2) not later than the close of business on the day that is 90 days before such annual meeting or, if later, not later than the close of business on the day that is 10 days after the first Public Announcement of the date of such annual meeting. In no event shall any adjournment, postponement or rescheduling of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(b) At a special meeting of shareholders, only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting.

(c) A Noticing Shareholder's notice to the Corporate Secretary pursuant to this Section 12 shall set forth as to each matter the Noticing Shareholder proposes to bring before the meeting (A) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of any Proponent Person; (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Certificate of Incorporate or these By-Laws, the text of the proposed amendment); (C) a description of all agreements, arrangements or understandings between or among any of the Proponent Persons or between or among any Proponent Person and any other person or persons (including their names) in connection with the proposal of such business by such Noticing Shareholder; (D) all other information relating to such business that would be required to be included in a proxy statement or other filing required to be filed with the SEC if, with respect to any such item of business, the Proponent Persons were participants in a contested solicitation subject to Regulation 14A under the Exchange Act (whether or not any such Proponent Person intends to deliver a proxy statement or conduct its own proxy solicitation); and (E) the information required by Section 11(c)(ii) through Section 11(c)(iv) of this Article II. All of the information, statements and representations provided pursuant to this Section 12(c) shall be updated or corrected as required by Section 11(e) and Section 11(f) of this Article II).

(d) Notwithstanding anything in these By-Laws to the contrary, no business (other than nominations for election to the Board of Directors of the Corporation, which are governed by Section 11 and Section 13 of this Article II) shall be conducted at an annual meeting except in compliance with the procedures set forth in this Section 12. If the Noticing Shareholder (or a Qualified Representative thereof) does not appear (including virtually, in the case of a meeting held solely by means of remote communication) at an annual meeting of shareholders to present the Noticing Shareholder's proposed business, such proposed business shall not be conducted, notwithstanding that proxies in favor thereof may have been received by the Corporation.

(e) Notwithstanding the foregoing provisions of this Section 12, a Noticing Shareholder shall also comply with all applicable requirements of state law and the Exchange Act with respect to the matters set forth in this Section 12. Nothing in this Section 12 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 13. Proxy Access for Director Nominations.

(a) Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting, in addition to any persons nominated for election to the Board of Directors by or at the direction of the Board of Directors, subject to the provisions of this Section 13, the Corporation shall:

(i) include in its notice of meeting and proxy materials, as applicable, for any annual meeting of shareholders (1) the name of any person nominated for election (the

"Shareholder Nominee") by a shareholder as of the date that the Notice of Proxy Access Nomination (as defined below) is received by the Corporation in accordance with this Section 13 who is entitled to vote for the election of directors at the annual meeting and who satisfies the notice, ownership and other requirements of this Section 13 (such shareholder, together with the beneficial owner of such shares, a "Nominator") or by a group of no more than 20 such shareholders (such shareholders, together with the beneficial owners of such shares, a "Nominator Group") that, collectively as a Nominator Group, satisfies the notice, ownership and other requirements of this Section 13 applicable to a Nominator Group; provided that, in the case of a Nominator Group, each member thereof (each a "Group Member") shall have satisfied the notice, ownership and other requirements of this Section 13 applicable to Group Members, and (2) if the Nominator or the Nominator Group, as applicable, so elects, the Nomination Statement (as defined below) furnished by such Nominator or Nominator Group; and

(ii) include such Shareholder Nominee's name on any ballot distributed at such annual meeting and on the Corporation's proxy card (or any other format through which the Corporation permits proxies to be submitted) distributed in connection with such annual meeting. Nothing in this Section 13 shall limit the Corporation's ability to solicit against, and include in its proxy materials its own statements relating to, any Shareholder Nominee, Nominator or Nominator Group, or to include such Shareholder Nominee as a nominee of the Board of Directors.

(b) At each annual meeting, a Nominator or Nominator Group may nominate one or more Shareholder Nominees for election at such meeting pursuant to this Section 13; provided that the maximum number of Shareholder Nominees nominated by all Nominators and Nominator Groups (including Shareholder Nominees that were submitted by a Nominator or Nominator Group for inclusion in the Corporation's proxy materials pursuant to this Section 13 but either are subsequently withdrawn, disregarded, declared invalid or ineligible pursuant to this Section 13) to appear in the Corporation's proxy materials with respect to an annual meeting shall not exceed the greater of (i) two nominees and (ii) 20% of the total number of directors in office as of the Final Proxy Access Deadline (as defined below), or if such number is not a whole number, the closest whole number below 20% (the "Maximum Number").

The Maximum Number shall be reduced, but not below zero, by the sum of:

(1) the number of persons that the Board of Directors decides to nominate pursuant to an agreement, arrangement or other understanding with one or more shareholders or beneficial owners, as the case may be, in lieu of such person being formally nominated as a director pursuant to this Section 13 or Section 11 of this Article II; and

(2) the number of persons that the Board decides to nominate for re-election who were previously elected to the Board based on a nomination made pursuant to this Section 13 or Section 11 of this Article II or pursuant to an agreement, arrangement or other understanding with one or more shareholders or beneficial owners, as the case may be, in lieu of such person being formally nominated as a director pursuant to this

Section 13 or Section 11 of this Article II, in each case, at one of the previous two annual meetings.

If one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Deadline but before the date of the applicable annual meeting and the Board of Directors determines to reduce the size of the Board of Directors in connection therewith, the Maximum Number shall be calculated based on the number of directors in office as so reduced.

Any Nominator or Nominator Group submitting more than one Shareholder Nominee for inclusion in the Corporation's proxy materials pursuant to this Section 13 shall rank in its Notice of Proxy Access Nomination such Shareholder Nominees based on the order that the Nominator or Nominator Group desires such Shareholder Nominees to be selected for inclusion in the Corporation's proxy materials in the event that the total number of Shareholder Nominees submitted by Nominators or Nominator Groups pursuant to this Section 13 exceeds the Maximum Number. In the event that the number of Shareholder Nominees submitted by Nominators or Nominator Groups pursuant to this Section 13 exceeds the Maximum Number, the highest ranking Shareholder Nominee who meets the requirements of this Section 13 from each Nominator and Nominator Group will be selected for inclusion in the Corporation's proxy materials until the Maximum Number is reached, beginning with the Nominator or Nominator Group with the largest number of shares disclosed as owned (as defined below) in its respective Notice of Proxy Access Nomination submitted to the Corporation and proceeding through each Nominator or Nominator Group in descending order of ownership. If the Maximum Number is not reached after the highest ranking Shareholder Nominee who meets the requirements of this Section 13 from each Nominator and Nominator Group has been selected, this process will continue as many times as necessary, following the same order each time, until the Maximum Number is reached.

If, after the Final Proxy Access Deadline, whether before or after the mailing of the Corporation's definitive proxy statement, (A) a Shareholder Nominee who satisfies the requirements of this Section 13 becomes ineligible for inclusion in the Corporation's proxy materials pursuant to this Section 13, becomes unwilling to serve on the Board of Directors, dies, becomes disabled or is otherwise disqualified from being nominated for election or serving as a director of the Corporation or (B) a Nominator or Nominator Group withdraws its nomination or becomes ineligible, in each case as determined by the Board of Directors or the chairman of the meeting, then the Board of Directors or the chairman of the meeting shall declare each nomination by such Nominator or Nominator Group to be invalid, and each such nomination shall be disregarded, no replacement nominee(s) shall be included in the Corporation's proxy materials or otherwise submitted for election as a director in substitution thereof and the Corporation (x) may omit from its proxy materials information concerning such Shareholder Nominee and (y) may otherwise communicate to its shareholders, including, without limitation, by amending or supplementing its proxy materials, that the Shareholder Nominee will not be eligible for election at the annual meeting and will not be included as a Shareholder Nominee in the proxy materials.

(c) To nominate a Shareholder Nominee, the Nominator or Nominator Group shall submit to the Corporate Secretary of the Corporation the information required by this Section 13

on a timely basis. To be timely, the Notice of Proxy Access Nomination must be addressed to and received by the Corporate Secretary of the Corporation not less than 120 days nor more than 150 days prior to the first anniversary of the date on which the Corporation's definitive proxy statement was released to shareholders in connection with the prior year's annual meeting; provided, however, that if the annual meeting is convened more than 30 days prior to or delayed by more than 60 days after the first anniversary of the date of the preceding year's annual meeting, the information must be so received not earlier than 120 days prior to such annual meeting and not later than the close of business on the later of (x) the 90th day prior to such annual meeting or (y) the 10th day following the day on which a Public Announcement of the date of the annual meeting is first made (the last day on which a Notice of Proxy Access Nomination may be delivered pursuant to and in accordance with this Section 13, the "Final Proxy Access Deadline"); provided further that in no event shall any adjournment, postponement or rescheduling of an annual meeting, or the Public Announcement thereof, commence a new time period or extend any time period for the receipt of the information required by this Section 13. The written notice required by this Section 13 (the "Notice of Proxy Access Nomination") shall include:

(i) a written notice of the nomination by such Nominator or Nominator Group expressly requesting to have its Shareholder Nominee included in the Corporation's proxy materials pursuant to this Section 13 that includes, with respect to the Shareholder Nominee and the Nominator (including any beneficial owner on whose behalf the nomination is made) or, in the case of a Nominator Group, with respect to each Group Member (including any beneficial owner on whose behalf the nomination is made) all of the representations, agreements and other information required in the Shareholder Nominee Information and by Section 11(c)(ii), Section 11(c)(iii) and clauses (1) and (4) of Section 11(c)(iv) of this Article II;

(ii) if the Nominator or Nominator Group so elects, a written statement of the Nominator or Nominator Group for inclusion in the Corporation's proxy statement in support of the election of the Shareholder Nominee(s) to the Board of Directors, which statement shall not exceed 500 words with respect to each Shareholder Nominee (the "Nomination Statement") and for the avoidance of doubt, the Nomination Statement shall be limited to 500 words and shall not include any images, charts, pictures, graphic presentations or similar items;

(iii) in the case of a nomination by a Nominator Group, the designation by all Group Members of one specified Group Member (or a Qualified Representative thereof) that is authorized to act on behalf of all Group Members with respect to the nomination and matters related thereto, including withdrawal of the nomination;

(iv) a representation by the Shareholder Nominee and the Nominator or Nominator Group (including each Group Member) and any beneficial owner on whose behalf the nomination is made that each such person has provided and will provide facts, statements and other information in all communications with the Corporation and its shareholders and beneficial owners, including, without limitation, the Notice of Proxy Access Nomination and the Nomination Statement, that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in

order to make the statements made in light of the circumstances under which they were made, not misleading;

(v) a statement of the Nominator or Nominator Group (including each Group Member) and any beneficial owner on whose behalf the nomination is made, setting forth and certifying the number of shares such Nominator or Nominator Group is deemed to own (as determined in accordance with sub-paragraph (d) of this Section 13) continuously for at least three years as of the date of the Notice of Proxy Access Nomination and one or more written statements from the shareholder of the Required Shares (as defined below), and from each intermediary through which such shares are or have been held during the requisite three-year holding period, verifying that, as of a date within seven days prior to the date that the Notice of Proxy Access Nomination is received by the Corporate Secretary of the Corporation, the Nominator or the Nominator Group, as the case may be, owns, and has owned continuously for the preceding three years, the Required Shares, and the Nominator's or, in the case of a Nominator Group, each Group Member's agreement to provide (1) within seven days after the record date for the applicable annual meeting, written statements from the shareholder and intermediaries verifying the Nominator's or the Nominator Group's, as the case may be, continuous ownership of the Required Shares through the record date; provided that if and to the extent that a shareholder is acting on behalf of one or more beneficial owners, such written statements shall also be submitted by any such beneficial owner or owners, and (2) immediate notice if the Nominator or the Nominator Group, as the case may be, ceases to own the Required Shares prior to the date of the applicable annual meeting;

(vi) a copy of any Schedule 14N that has been filed with the SEC as required by Rule 14a-18 under the Exchange Act;

(vii) a representation by the Nominator (including any beneficial owner on whose behalf the nomination is made), or, in the case of a Nominator Group, each Group Member (including any beneficial owner on whose behalf the nomination is made) that:

(1) the Required Shares were acquired in the ordinary course of business and not with intent to change or influence control of the Corporation, and each such person does not presently have such intent;

(2) each such person will maintain ownership (as defined in this Section 13) of the Required Shares through the date of the applicable annual meeting along with a further statement as to whether or not such person has the intention to hold the Required Shares for at least one year thereafter (which statement the Nominator or Nominator Group shall include in its Nomination Statement, it being understood that the inclusion of such statement shall not count towards the Nomination Statement's 500-word limit);

(3) each such person has not nominated, and will not nominate, for election to the Board of Directors at the applicable annual meeting any person other than its Shareholder Nominee(s) pursuant to this Section 13;

(4) each such person has not distributed, and will not distribute, to any shareholders or beneficial owners any form of proxy for the applicable annual meeting other than the form distributed by the Corporation;

(5) each such person has not engaged in, and will not directly or indirectly engage in, and has not been and will not be a participant (as defined in Schedule 14A of the Exchange Act) in, a "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the applicable annual meeting other than with respect to such Nominator or Nominator Group's Shareholder Nominee(s) or a nominee of the Board of Directors; and

(6) each such person consents to the public disclosure of the information provided pursuant to this Section 13;

(viii) an executed agreement, in a form deemed satisfactory by the Board of Directors or any committee thereof, pursuant to which the Nominator (including any beneficial owner on whose behalf the nomination is made) or, in the case of a Nominator Group, each Group Member (including any beneficial owner on whose behalf the nomination is made) agrees to:

(1) comply with all applicable laws, rules and regulations arising out of or relating to the nomination of each Shareholder Nominee pursuant to this Section 13;

(2) assume all liability stemming from any legal or regulatory violation arising out of the communications and information provided by such person(s) to the Corporation and its shareholders and beneficial owners, including, without limitation, the Notice of Proxy Access Nomination and Nomination Statement;

(3) indemnify and hold harmless the Corporation and each of its directors, officers, employees, agents and affiliates individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers, employees, agents and affiliates arising out of or relating to any nomination submitted by such person(s) pursuant to this Section 13;

(4) file with the SEC any solicitation or other communication with the Corporation's shareholders and beneficial owners relating to the meeting at which the Shareholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act;

(5) furnish to the Corporation all notifications and updated information required by this Section 13, including, without limitation, the information required by sub-paragraph (e) of this Section 13; and

(6) upon request, provide to the Corporation within five business days after such request, but in any event prior to the day of the annual meeting, such additional information as reasonably requested by the Corporation; and

(ix) a letter of resignation signed by each Shareholder Nominee, which letter shall specify that such Shareholder Nominee's resignation is irrevocable and that it shall become effective upon a determination by the Board of Directors or any committee thereof that (1) any of the information provided to the Corporation by the Nominator, the Nominator Group, any Group Member (including, in each case, any beneficial owner on whose behalf the nomination is made) or the Shareholder Nominee in respect of the nomination of such Shareholder Nominee pursuant to this Section 13 is or was untrue in any material respect (or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading) or (2) the Shareholder Nominee, the Nominator, the Nominator Group or any Group Member (including, in each case, any beneficial owner on whose behalf the nomination is made) or any affiliate thereof shall have breached any of its representations, obligations or agreements under this Section 13.

(d) *Ownership Requirements*.

(i) To nominate a Shareholder Nominee pursuant to this Section 13, the Nominator or Nominator Group shall have owned shares representing 3% or more of the voting power entitled to vote generally in the election of directors (the "Required Shares") continuously for at least three years as of both the date the Notice of Proxy Access Nomination is submitted to the Corporation and the record date for determining shareholders eligible to vote at the applicable annual meeting and must continue to own the Required Shares at all times between and including the date the Notice of Proxy Access Nomination is submitted to the Corporation and the date of the applicable annual meeting; provided that if and to the extent a shareholder is acting on behalf of one or more beneficial owners.

(ii) Only the shares owned by such beneficial owner or owners, and not any other shares owned by any such shareholder, shall be counted for purposes of satisfying the foregoing ownership requirement, and the aggregate number of shareholders and all such beneficial owners whose share ownership is counted for the purposes of satisfying the foregoing ownership requirement shall not exceed 20. Two or more funds that are (1) under common management and investment control, (2) under common management and funded primarily by the same employer or (3) a "group of investment companies," as such term is defined in the Investment Company Act of 1940, as amended, shall be treated as one shareholder or beneficial owner, as the case may be, for the purpose of satisfying the foregoing ownership requirements; provided that each fund otherwise meets the requirements set forth in this Section 13; and provided further that any such funds for which shares are aggregated for the purpose of satisfying the foregoing

ownership requirements provide documentation reasonably satisfactory to the Corporation that demonstrates that the funds satisfy the criteria for being treated as one shareholder within seven days after the Notice of Proxy Access Nomination is delivered to the Corporate Secretary. No shares may be attributed to more than one Nominator or Nominator Group, and no shareholder or beneficial owner may be a member of more than one Nominator Group (other than a shareholder directed to act by more than one beneficial owner) for the purposes of this Section 13.

(iii) For purposes of this Section 13, "ownership" shall be deemed to consist of and include only the outstanding shares as to which a person possesses both (1) the full voting and investment rights pertaining to such shares and (2) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the ownership of shares calculated in accordance with clauses (1) and (2) shall not include any shares (A) that a person or any of its affiliates has sold in any transaction that has not been settled or closed, including any short sale, (B) that a person or any of its affiliates has borrowed for any purposes or purchased pursuant to an agreement to resell or (C) that are subject to any Derivative Instrument or similar agreement entered into by a person or any of its affiliates, whether any such security, instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares, in any case in which such security, instrument or agreement has, or is intended to have, or if exercised by either party would have, the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, the person's or such person's affiliates' full right to vote or direct the voting of any such shares, and/or (y) hedging, offsetting or altering to any degree any gain or loss arising from the full economic ownership of such person's or such person's affiliates' shares. "Ownership" shall include shares held in the name of a nominee or other intermediary so long as the person claiming ownership of such shares retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A person's ownership of shares shall be deemed to continue during any period in which the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person. A person's ownership of shares shall be deemed to continue during any period in which the person has loaned such shares provided that the person has the power to recall such loaned shares on five business days' notice, will vote such shares at the annual meeting and will hold such shares through the date of the annual meeting. For the purposes of this Section 13, the terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. For the purposes of this Section 13, the term "affiliate" or "affiliates" shall have the meaning ascribed thereto under the rules and regulations of the Exchange Act.

(e) For the avoidance of doubt, with respect to any nomination submitted by a Nominator Group pursuant to this Section 13, the information required by sub-paragraph (c) of this Section 13 to be included in the Notice of Proxy Access Nomination shall be provided by each Group Member (including any beneficial owner on whose behalf the nomination is made), and each such Group Member (including any beneficial owner on whose behalf the nomination is made) shall execute and deliver to the Corporate Secretary of the Corporation the representations and agreements required under sub-paragraph (c) of this Section 13 at the time the Notice of Proxy Access Nomination is submitted to the Corporation. In the event that the

Nominator, Nominator Group or any Group Member shall have breached any of their agreements with the Corporation or any information included in the Nomination Statement or the Notice of Proxy Access Nomination, or any other communications by the Nominator, Nominator Group or any Group Member (including any beneficial owner on whose behalf the nomination is made) with the Corporation or its shareholders and beneficial owners, ceases to be true and correct in all material respects (or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made and as of such later date, not misleading), each Nominator, Nominator Group or Group Member (including any beneficial owner on whose behalf the nomination is made), as the case may be, shall promptly (and in any event within 48 hours of discovering such breach or that such information has ceased to be true and correct in all material respects (or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made and as of such later date, not misleading)) notify the Corporate Secretary of the Corporation of any such breach, inaccuracy or omission in such previously provided information and shall provide the information that is required to correct any such defect, if applicable, it being understood that providing any such notification shall not be deemed to cure any defect or limit the Corporation's rights to omit a Shareholder Nominee from its proxy materials as provided in this Section 13.

(f) *Shareholder Nominee Requirements*.

(i) Within the time period specified in this Section 13 for delivering the Notice of Proxy Access Nomination, each Shareholder Nominee must deliver to the Corporate Secretary of the Corporation a written representation and agreement, which shall be deemed a part of the Notice of Proxy Access Nomination for purposes of this Section 13, that such person: (1) consents to be named in the proxy statement as a nominee, to serve as a director if elected and to the public disclosure of the information provided pursuant to this Section 13; (2) understands his or her duties as a director under the DGCL and agrees to act in accordance with those duties while serving as a director; (3) is not and will not become a party to (A) any Voting Commitment that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (4) is not and will not become a party to any Third Party Compensation Arrangement that has not been disclosed to the Corporation, and has not and will not receive any such Third Party Compensation Arrangement that has not been disclosed to the Corporation; (5) if elected as a director of the Corporation, will comply with all applicable laws and stock exchange listing standards and the Corporation's policies, guidelines and principles applicable to directors, including, without limitation, the Corporation's Board Corporate Governance Guidelines, Code of Ethics and Principles of Conduct, the Director Code of Business Conduct and Ethics, confidentiality, share ownership and trading policies and guidelines, and any other codes, policies and guidelines or any rules, regulations and listing standards, in each case as applicable to directors; (6) agrees to meet with the Board of Directors or any committee or delegate thereof to discuss matters relating to the nomination of the Shareholder Nominee, including information in the Notice of Proxy Access Nomination and such Shareholder Nominee's eligibility to serve as a member of the Board of Directors; and (7) will provide facts, statements and other information in all communications with the Corporation and its shareholders and beneficial owners that are

and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(ii) At the request of the Corporation, each Shareholder Nominee must promptly submit (but in no event later than seven days after receipt of the request) to the Corporate Secretary of the Corporation all completed and signed questionnaires required of directors. The Corporation may request such additional information as necessary to permit the Board of Directors to determine if each nominee is independent, including for purposes of serving on the committees of the Board of Directors, under the listing standards of each principal securities exchange upon which the shares are listed, any applicable rules of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors and to determine whether the nominee otherwise meets all other publicly disclosed standards applicable to directors.

(iii) In the event that a Shareholder Nominee shall have breached any of their agreements with the Corporation or any information or communications provided by a Shareholder Nominee to the Corporation or its shareholders and beneficial owners ceases to be true and correct in any respect or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, such nominee shall promptly (and in any event within 48 hours of discovering such breach or that such information has ceased to be true and correct in all material respects (or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made and as of such later date, not misleading)) notify the Corporate Secretary of the Corporation of any such breach, inaccuracy or omission in such previously provided information and shall provide the information that is required to make such information or communication true and correct, if applicable, it being understood that providing any such notification shall not be deemed to cure any defect or limit the Corporation's rights to omit a Shareholder Nominee from its proxy materials as provided in this Section 13.

(g) In the event any Nominator or Nominator Group (including any beneficial owner on whose behalf the nomination is made) submits a nomination at an annual general meeting pursuant to this Section 13 and such Shareholder Nominee shall have been nominated for election at any of the previous two annual meetings and such Shareholder Nominee shall not have received at least 25% of the votes cast in favor of such nominee's election or such nominee withdrew from or became ineligible or unavailable for election to the Board of Directors, then such nomination shall be disregarded.

(h) Notwithstanding anything to the contrary contained in this Section 13, the Corporation shall not be required to include, pursuant to this Section 13, a Shareholder Nominee in its proxy materials for any annual meeting, or, if the proxy statement already has been filed, to submit the nomination of a Shareholder Nominee to a vote at the annual meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation:

(i) for any meeting for which the Corporate Secretary of the Corporation receives notice that any shareholder or beneficial owner, as the case may be, intends to nominate one or more persons for election to the Board of Directors pursuant to Section 11 of this Article II;

(ii) who is not determined by the Board of Directors in its sole discretion to be independent under the listing standards of each principal securities exchange upon which the shares of the Corporation are listed, any applicable rules of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board of Directors, in each case as determined by the Board of Directors or any committee thereof, in its sole discretion;

(iii) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these By-Laws, the Certificate of Incorporation, the rules and listing standards of the principal securities exchanges upon which the shares of the Corporation are listed, or any applicable law, rule or regulation or of any publicly disclosed standards of the Corporation applicable to directors, in each case as determined by the Board of Directors or any committee thereof, in its sole discretion;

(iv) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended;

(v) whose business or personal interests place such Shareholder Nominee in a conflict of interest with the Corporation or any of its subsidiaries, as determined by the Board of Directors or any committee thereof, in its sole discretion;

(vi) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten years;

(vii) who is subject to any order of the type specified in Rule 506(d) of Regulation D under the Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder, the "Securities Act");

(viii) if the Shareholder Nominee or Nominator (including any beneficial owner on whose behalf the nomination is made), or, in the case of a Nominator Group, any Group Member (including any beneficial owner on whose behalf the nomination is made) shall have provided information to the Corporation in connection with such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make any statement made, in light of the circumstances under which it was made, not misleading, as determined by the Board of Directors or any committee thereof, in its sole discretion;

(ix) if the Nominator (or a Qualified Representative thereof) or, in the case of a Nominator Group, the representative designated by the Nominator Group in accordance with sub-paragraph (c)(iii) of this Section 13 (or a Qualified Representative thereof), or the Shareholder Nominee does not appear (including virtually, in the case of a meeting

held solely by means of remote communication) at the applicable annual meeting to present the Shareholder Nominee for election;

(x) if the Nominator (including any beneficial owner on whose behalf the nomination is made), or, in the case of a Nominator Group, any Group Member (including any beneficial owner on whose behalf the nomination is made) has engaged in or is currently engaged in, or has been or is a participant (as defined in Schedule 14A of the Exchange Act) in, a "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the applicable annual meeting other than with respect to such Nominator or Nominator Group's Shareholder Nominee(s) or a nominee of the Board of Directors; or

(xi) the Nominator or, in the case of a Nominator Group, any Group Member, or applicable Shareholder Nominee otherwise breaches or fails to comply with its representations or obligations pursuant to these By-Laws, including, without limitation, this Section 13.

For the purpose of this sub-paragraph (h) of this Section 13, clauses (ii) through (xi) will result in the exclusion from the proxy materials pursuant to this Section 13 of the specific Shareholder Nominee(s) to whom the ineligibility applies, or, if the proxy statement has already been filed, the ineligibility of the Shareholder Nominee(s) and, in either case, the inability of the Nominator or Nominator Group that nominated any such Shareholder Nominee to substitute another Shareholder Nominee therefor; however, clause (i) will result in the exclusion from the proxy materials pursuant to this Section 13 of all Shareholder Nominees for the applicable annual meeting, or, if the proxy statement already has been filed, the ineligibility of all Shareholder Nominees.

(i) Notwithstanding anything to the contrary contained in this Section 13:

(i) the Corporation may omit from its proxy materials any information, including all or any portion of the Nomination Statement, if the Board of Directors determines that the disclosure of such information would violate any applicable law or regulation or that such information is not true and correct in all material respects or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(ii) if any Nominator, Nominator Group or Group Member (including any beneficial owner on whose behalf the nomination is made) or Shareholder Nominee has failed to comply with the requirements of this Section 13, the Board of Directors or the chairman of the meeting shall declare the nomination by such Nominator or Nominator Group to be invalid, and such nomination shall be disregarded.

(j) This Section 13 shall be the exclusive method for shareholders to include nominees for director in the Corporation's proxy materials.

ARTICLE III

Board of Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the shareholders.

Section 2. Number, Qualifications, Election and Term of Office. The Board of Directors shall consist of not less than eight nor more than 16 directors. The number of directors may be fixed, from time to time, by the affirmative vote of a majority of the entire Board of Directors. Any decrease in the number of directors shall be effective at the time of the next succeeding annual meeting of shareholders unless there shall be vacancies in the Board of Directors, in which case such decrease may become effective at any time prior to the next succeeding annual meeting to the extent of the number of such vacancies. Directors need not be shareholders. All directors shall be elected to hold office for one-year terms expiring at the next annual meeting of shareholders. Each director shall hold office until his or her successor shall have been elected and qualified, or until death, or until such director shall have resigned, or shall have been removed, as hereinafter provided in these By-Laws.

Section 3. Chairman of the Board.

(a) The Directors shall elect a Chairman of the Board from among the independent members of the Board of Directors who shall serve for a term of three years unless sooner removed, with or without cause, by a majority of the Board of Directors. The Board of Directors shall fill any vacancy in the position of Chairman of the Board of Directors at such time and in such manner as the Board of Directors shall determine. In addition, the Board of Directors may appoint one or more directors to serve in roles with such titles (including the titles of Vice Chairman, Lead Director and Presiding Director), powers, duties and compensation as it may approve.

(b) The Chairman shall perform all duties incident to the office of Chairman of the Board and such other duties as may from time to time be assigned by the Board of Directors, including presiding at all meetings of the shareholders of the Corporation, all meetings of the Board of Directors, and all meetings of the Executive Committee, at which the Chairman shall be present. Except as may otherwise be determined by the Board or provided in these By-Laws, the Chairman may serve as a member of any committee of the Board subject to applicable laws, regulations and standards and, even when not named a standing member of a committee, shall have the right to attend and participate in all meetings of any committee of the Board of Directors as if he or she were a member of such committee, including having the right to vote on any matter brought before the committee and being counted for the purposes of determining whether a quorum of the committee is present.

Section 4. Place of Meetings. Meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice of any such meeting.

Section 5. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these By-Laws.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or by the Chairman of the Board at the request of one-third of the members of the Board of Directors of the Corporation.

Section 7. Notice of Meetings. Notice of each special meeting of the Board of Directors (and of each regular meeting for which notice shall be required) shall be given by the Corporate Secretary as hereinafter provided in this Section 7. Any such notice shall state the place, date and time of the meeting. Except as otherwise required by these By-Laws, such notice need not state the purposes of such meeting. Notice of each such meeting shall be mailed, postage prepaid, to each director, addressed to the director's residence or usual place of business, by first-class mail, at least two days before the day on which such meeting is to be held, or shall be sent addressed to the director at such place by telegraph, cable, telex, telecopier, electronic transmission or other similar means, or be delivered to the director personally or be given to the director by telephone or other similar means, at least twelve hours before the time at which such meeting is to be held or on such shorter notice as the person or persons calling the meeting may deem necessary or appropriate under the circumstances. Notice of any such meeting need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice, or waiver by electronic transmission or who shall attend such meeting, except when the director shall attend for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. Quorum and Manner of Acting. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, except as otherwise expressly required by statute or the Certificate of Incorporation or these By-Laws, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of the time and place of any such adjourned meeting shall be given to all of the directors unless such time and place were announced at the meeting at which the adjournment was taken, in which case such notice shall only be given to the directors who were not present thereat. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board and the individual directors shall have no power as such.

Section 9. Organization. At each meeting of the Board of Directors, the Chairman of the Board, or, in the absence of the Chairman of the Board, another director chosen by a majority of the directors present shall act as chairman of the meeting and preside thereat. The Corporate Secretary or, in the Corporate Secretary's absence, any person appointed by the chairman of the meeting shall act as secretary of the meeting and keep the minutes thereof.

Section 10. Resignations. Any director of the Corporation may resign at any time by giving notice in writing or by electronic transmission of his or her resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Vacancies. Any vacancy in the Board of Directors, whether arising from death, disqualification, resignation, removal, an increase in the number of directors or any other cause, may be filled only by the vote of a majority of the directors then in office, though less than a quorum, or by the sole remaining director. Each director so elected shall hold office for a term expiring at the next annual meeting of shareholders and shall hold office until his or her successor shall have been elected and qualified, or until death, or until such director shall have resigned, or shall have been removed, as provided in these By-Laws.

Section 12. Removal of Directors. Any director may be removed, with or without cause, at any time, by the holders of a majority of the voting power of the issued and outstanding capital stock of the Corporation entitled to vote at an election of directors.

Section 13. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors, including the Chairman of the Board, for services to the Corporation in any capacity.

Section 14. Committees.

(a) The Board shall create an Executive Committee, which shall consist of no less than two nor more than seven members of the Board and which, to the extent provided in a resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors, and may authorize the seal of the Corporation to be affixed to all papers which may require it, except the Executive Committee shall not have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the shareholders, any action or matter expressly required by the DGCL to be submitted to shareholders for approval, (ii) adopting, amending or repealing any By-Law of the Corporation; or (iii) acting with respect to any matter restricted by statute, the Certificate of Incorporation or these By-Laws.

(b) The Board shall create an Audit Committee and a People Resources Committee, each of which shall consist of three or more members of the Board of Directors of the Corporation, none of whom shall be employees of the Corporation or its subsidiaries.

(c) The Board may also create such other committees, with such authority and duties, as the Board may from time to time deem advisable, and may authorize any of such committees to appoint one or more subcommittees. Each such committee or subcommittee, to the extent

provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors except as restricted by statute the Certificate of Incorporation or these By-Laws and may authorize the seal of the Corporation to be affixed to all papers which require it. Each such committee or subcommittee shall serve at the pleasure of the Board of Directors or of the committee creating it as the case may be, and have such name as may be determined from time to time by resolution adopted by the Board of Directors or by the committee creating it. Each committee shall keep regular minutes of its meeting and report the same to the Board of Directors or the committee creating it.

(d) The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In addition, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Section 15. Action by Consent. Unless restricted by the Certificate of Incorporation, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or such committee, as the case may be. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 16. Telephonic Meeting. Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

ARTICLE IV

Officers

Section 1. Selection and Qualifications. The officers of the Corporation shall be elected by the Board of Directors except as otherwise provided herein or in a resolution adopted by the Board of Directors and may include the President, the Chief Executive Officer, one or more Vice Presidents, and such other officers as the Board of Directors may choose. The Board may authorize the Chief Executive Officer to appoint one or more classes of officers with such titles (including the titles of Vice President, Corporate Secretary and Treasurer), powers, duties and compensation as the Chief Executive Officer may approve. Any two or more offices may be held by the same person. Each officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified, or until death, or until such officer shall have resigned or have been removed, as hereinafter provided in these By-Laws.

Section 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of such resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

Section 3. Removal. Any officer of the Corporation may be removed, either with or without cause, at any time, by the Board of Directors at any meeting thereof. Any appointed officer of the Corporation may also be removed, either with or without cause, at any time, by the Chief Executive Officer.

Section 4. Chief Executive Officer. The Chief Executive Officer shall have responsibility for the general and active management of the business, property and affairs of the Corporation, subject, to the control of the Board of Directors. The Chief Executive Officer shall perform such other duties as may be specified in these By-Laws or assigned by the Board of Directors.

Section 5. President. The President shall perform all duties incident to the Office of President and such other duties as may from time to time be assigned to the President by the Chief Executive Officer or the Board of Directors.

Section 6. Vice Presidents. Each Vice President shall perform such duties as from time to time may be assigned to the Vice President by the Board of Directors, the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

Section 7. Treasurer. The Treasurer shall:

(a) have charge and custody of, and be responsible for, all the funds and securities of the Corporation;

(b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation;

(c) deposit all moneys and other valuables to the credit of the Corporation in such depositories as may be designated by the Board of Directors or pursuant to its direction;

(d) receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(e) disburse the funds of the Corporation and supervise the investments of its funds, taking proper vouchers therefor;

(f) render to the Board of Directors, whenever the Board of Directors may require, an account of the Corporation's cash position; and

(g) in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors, or the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

Section 8. Corporate Secretary. The Corporate Secretary shall:

(a) keep or cause to be kept in one or more books provided for the purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the shareholders;

(b) see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law;

(c) Be custodian of the records and the seal of the Corporation and affix and attest the seal to all certificates for shares of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal;

(d) see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed in order to maintain the Corporation's legal existence are properly kept and filed; and

(e) in general, perform all duties incident to the office of Corporate Secretary and such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer, or such other officer as may be designated by one of the foregoing.

Section 9. The Assistant Treasurer. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their seniority), shall, in the absence of the Treasurer or in the event of the inability or refusal of the Treasurer to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chief Executive Officer, the Treasurer, or such other officer as may be designated by one of the foregoing.

Section 10. The Assistant Corporate Secretary. The Assistant Corporate Secretary, or if there be more than one, the Assistant Corporate Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their seniority), shall, in the absence of the Corporate Secretary or in the event of the inability or refusal of the Corporate Secretary to act, perform the duties and exercise the powers of the Corporate Secretary and shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chairman of the Board, the President and Chief Executive Officer, the Corporate Secretary, or such other officer as may be designated by one of the foregoing.

Section 11. Designation. The Board of Directors may, by resolution, designate one or more officers to be any of the following: Chief Operating Officer, President, Chief Financial Officer, General Counsel, or Chief Accounting Officer.

Section 12. Agents and Employees. If authorized by the Board of Directors, the Chief Executive Officer or any officer or employee of the Corporation designated by the Board or the Chief Executive Officer may appoint or employ such agents and employees as shall be requisite for the proper conduct of the business of the Corporation, and may fix their compensation and the conditions of their employment, subject to removal by the appointing or employing person.

Section 13. Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Corporation shall give a bond or other security for the faithful performance of such officer's duties, in such amount and with such surety as the Board of Directors may require.

Section 14. Compensation. The compensation of all officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors unless by resolution of the Board that authority is delegated to a committee of the Board, the Chief Executive Officer, or any other officer of the Corporation. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that such officer is also a director of the Corporation.

Section 15. Terms. Unless otherwise specified by the Board of Directors in any particular election or appointment, each officer shall hold office, and be removable, at the pleasure of the Board.

ARTICLE V

Stock Certificates and Their Transfer

Section 1. Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates; provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such resolution by the Board of Directors, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman of the Board, the Chief Executive Officer, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Corporate Secretary or an Assistant Corporate Secretary, representing the number of shares registered in certificate form. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restriction of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each shareholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required or permitted to be set forth or stated on certificates pursuant to this Section 1 or otherwise pursuant to the DGCL. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 2. Facsimile Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person was such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Corporation may issue a new certificate or certificates, or uncertificated shares, in the place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed. The Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to give the Corporation a bond in such sum as it may direct sufficient to indemnify it against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 4. Transfers of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority or transfer, or upon receipt by the transfer agent of a proper instruction from the registered holder of uncertificated shares, it shall be the duty of the Corporation to transfer such shares upon its records and, in connection with the transfer of a share that will be certificated, to issue a new certificate to the person entitled thereto and to cancel the old certificate; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer. Whenever any transfer of stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of transfer if, when the certificates are presented to the Corporation for transfer, or when proper instructions with respect to the transfer of uncertificated shares are received, both the transferor and the transferee request the Corporation to do so.

Section 5. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

Section 6. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

Section 7. Fixing the Record Date. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice

is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining shareholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. To the extent permitted by law, the record date for determining the shareholders entitled to receive notice of a meeting may be different from the record date for determining the shareholders entitled to vote at such meeting.

In order that the Corporation may determine the shareholders entitled to consent to corporate action without a meeting, the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than 10 days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the DGCL, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by the DGCL. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the DGCL with respect to the proposed action by consent of the shareholders without a meeting, the record date for determining shareholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 8. Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments a person registered on its records as the owner of shares of stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VI

Indemnification

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (for purposes of this Article VI, a "proceeding"), by reason of the fact that he or she (a) is or was a director or an officer of the Corporation or (b) is or was serving at the request of the Corporation as a director, officer, employee, agent, partner or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (the persons in clauses (a) and (b) hereinafter referred to as an "indemnitee"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that

such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article VI with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

Section 2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 1 of this Article VI, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

Section 3. Right of Indemnitee to Bring Suit. If a claim under Section 1 or Section 2 of this Article VI is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (a) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an

advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the Corporation.

Section 4. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, agreement, vote of shareholders or directors or otherwise.

Section 5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 7. Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee, agent, partner or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE VII

General Provisions

Section 1. Dividends. Subject to the provisions of statute and the Certificate of Incorporation, dividends upon the shares of capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property or in shares of stock of the Corporation, unless otherwise provided by statute or the Certificate of Incorporation.

Section 2. Seal. The seal of the Corporation shall be in such form as shall be approved by the Board of Directors.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed, and once fixed, may thereafter be changed, by resolution of the Board of Directors.

Section 4. Contributions. The Board of Directors shall have the authority from time to time to make such contributions as the Board in its discretion shall determine, for public and charitable purposes.

Section 5. Borrowing, etc. No officer, agent or employee of the Corporation shall have any power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority delegated by resolution of the Board of Directors. Authority may be given by the Board for any of the above purposes and may be general or limited to specific instances.

Section 6. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may approve or designate, and all such funds shall be withdrawn only upon checks, drafts, notes or other orders for payment signed by such one or more officers, employees or other persons as the Board shall from time to time determine.

Section 7. Execution of Contracts, Deeds, etc. The Board of Directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Section 8. Voting of Stock in Other Corporations. If authorized by the Board of Directors, any officer of the Corporation may appoint an attorney or attorneys (who may be or include such officer), in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation any of whose shares or other securities are held by or for the Corporation, at meetings of the holders of the shares or other securities of such other corporation, or in connection with the ownership of such shares or other securities, to consent in writing to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its seal such written proxies or other instruments as such proxy may deem necessary or proper in the circumstances.

Section 9. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of punch cards, magnetic tape, photographs, microphotographs, or any other information storage device; provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

ARTICLE VIII

Amendments

These By-Laws may be adopted, amended or repealed by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation outstanding and entitled to vote thereon. The Board of Directors shall also have the power to adopt, amend or

repeal any provision of these By-Laws of the Corporation without any vote of the shareholders of the Corporation.

ARTICLE IX

Definitions

Section 1. "Affiliate." The term "Affiliate," as used herein, shall have the meaning set forth in Rule 12b-2 under the Exchange Act.

Section 2. "Associate." The term "Associate," as used herein, shall have the meaning set forth in Rule 12b-2 under the Exchange Act.

Section 3. "Beneficial Ownership; Beneficially Owned." The terms "beneficial ownership" or "beneficially owned," as used herein, shall have the meanings set forth for such terms in Section 13(d) of the Exchange Act;.

Section 4. "Certificate of Incorporation." The term "Certificate of Incorporation," as used herein, includes not only the original Certificate of Incorporation filed to create the Corporation but also all other certificates, agreements of merger or consolidation, plans of reorganization, or other instruments, howsoever designated, which are filed pursuant to the DGCL, and which have the effect of amending or supplementing in some respect this Corporation's original Certificate of Incorporation.

Section 5. "Designated Officer." The term "Designated Officer," as used herein, shall mean an officer identified on a numbered list of officers of the Corporation who shall be deemed to be, in the order in which they appear on the list up until a quorum is obtained, directors of the Corporation, or members of a committee of the Board of Directors, as the case may be, for purposes of obtaining a quorum during an Emergency (as defined below), if a quorum of directors or committee members, as the case may be, cannot otherwise be obtained during such Emergency, which officers have been designated by the Board of Directors from time to time but in any event prior to such time or times as an Emergency may have occurred.

Section 6. "Derivative Instrument." The term "Derivative Instrument," as used herein, shall mean any agreement, arrangement or understanding, written or oral, (including any derivative, long or short position, profit interest, forward, future, swap, option, warrant, convertible security, stock appreciation right or similar right, hedging transaction, repurchase agreement or arrangement, borrowed or loaned shares and so-called "stock borrowing" agreement or arrangement) with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of capital stock of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the price of any securities of the Corporation, to transfer to or from any person or entity, in whole or in part, any of the economic consequences of ownership of any security of the corporation, to maintain, increase or decrease the voting power of any person or entity with respect to securities of the Corporation or to provide any person or entity, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation,

without regard to whether such agreement, arrangement or understanding is required to be reported on a Schedule 13D in accordance with the Exchange Act.

Section 7. "Electronic Transmission." The term "electronic transmission" as used herein shall mean any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such recipient through an automated process or that otherwise may be permitted as an electronic transmission by the DGCL, as amended from time to time.

Section 8. "Net Long Beneficial Ownership." The term "Net Long Beneficial Ownership" (and its correlative terms), as used herein, when used to describe the nature of a person's ownership of capital stock of the Corporation, shall mean the capital stock of the Corporation that such person or, if such person is a beneficial owner, that such beneficial owner would then be deemed to own pursuant to the definition of "net long position" set forth in Rule 14e-4 under the Exchange Act, excluding, at any time, (a) any capital stock as to which such shareholder or beneficial owner, as the case may be, does not then have the right to vote or direct the vote and (b) any capital stock as to which such person or beneficial owner (or any Affiliate or Associate of such person or beneficial owner), as the case may be, had directly or indirectly entered into (or caused to be entered into) and not yet terminated a Derivative Instrument, and further subtracting from any person's ownership of capital stock at any time such person's (and such person's Affiliates' and Associates') "short position" (as defined pursuant to Rule 14e-4(a) under the Exchange Act), all as the Board of Directors shall determine in good faith.

Section 9. "Noticing Shareholder." The term "Noticing Shareholder," as used herein, shall mean a shareholder providing notice pursuant to Section 11, Section 12 or Section 13 of Article II, as applicable; provided, however, that (a) the term "Noticing Shareholder" as used in Section 11(c) or Section 12(c) of Article II, as applicable, shall mean, with respect to a Requesting Shareholder submitting information pursuant to Section 11(c) or Section 12(c) of Article II, as applicable, the Requesting Shareholder, and (b) the term "Noticing Shareholder" as used in Section 11(c) of Article II shall mean, with respect to each Nominator and Group Member submitting information pursuant to Section 11(c) of Article II, the Nominator or Nominator Group, as applicable.

Section 10. "Proponent Person." The term "Proponent Person," as used herein, shall mean, with respect to any Noticing Shareholder or Requesting Shareholder: (a) such Noticing Shareholder or Requesting Shareholder; (b) the beneficial owner(s), if different from such Noticing Shareholder or Requesting Shareholder, on whose behalf the notice is provided or the Special Meeting Request is made; (c) any person directly or indirectly controlling, controlled by or under common control with such Noticing Shareholder or Requesting Shareholder (or, if different from such Noticing Shareholder or Requesting Shareholder, the beneficial owner or beneficial owners on whose behalf such notice or Special Meeting Request is made); (d) any member of the immediate family of any individual described in the foregoing clause (a) or (b) sharing the same household; (e) any Affiliate or Associate of any person described in the foregoing clause (a), (b), (c) or (d); (f) any person who is a member of a "group" (as such term is used in Rule 13d-5 under the Exchange Act) with such Noticing Shareholder or Requesting Shareholder, or any other Proponent Person with respect to the stock of the Corporation,

including any Proposed Nominee; (g) any person with whom any person described in the foregoing clause (a), (b), (c) or (d) is knowingly acting in concert with respect to the stock of the Corporation; and (h) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with any person described in the foregoing clause (a), (b), (c) or (d) with respect to any proposed nomination or business; provided, however, that the term "Proponent Person," shall mean, with respect to each Nominator and Group Member submitting information pursuant to Section 11(c) of Article II, the Nominator or Nominator Group, as applicable.

Section 11. "Public Announcement." The term "Public Announcement," as used herein, shall mean disclosure (a) in a press release issued by the Corporation in accordance with its customary press release procedures, that is reported by the Dow Jones News Service, Associated Press or a comparable national news service or is generally available on internet news sites, or (b) in a document publicly filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Section 12. "Qualified Representative." The term "Qualified Representative," as used herein in relation to any person, shall mean (a) a duly authorized officer, manager or partner of such person or (b) a person authorized by a writing executed by such person (or a reliable reproduction or electronic transmission of such a writing) delivered by such person to the Corporate Secretary at the principal executive offices of the Corporation prior to the making of any nomination or proposal at a shareholder meeting stating that such person is authorized to act for such Noticing Shareholder or Requesting Shareholder as proxy at the meeting of shareholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at least 24 hours prior to the meeting of shareholders.

ARTICLE X

Exclusive Forum

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (c) any action asserting a claim against the Corporation or any current or former director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these By-Laws (as either may be amended from time to time), (d) any action asserting a claim related to or involving the Corporation that is governed by the internal affairs doctrine, or (e) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL shall be a state court within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

ARTICLE XI

Emergency By-Laws

Section 1. Emergency By-Laws. This Article XI shall be operative during any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL or other similar emergency condition (including, without limitation, a pandemic), as a result of which a quorum of the Board of Directors or a committee thereof cannot readily be convened for action (each, an "Emergency"), notwithstanding any different or conflicting provision of the other Sections of these By-Laws or in the Certificate of Incorporation. To the extent not inconsistent with the provisions of this Article XI, the other Sections of these By-Laws and the provisions of the Certificate of Incorporation shall remain in effect during such Emergency, and upon termination of such Emergency, the provisions of this Article XI shall cease to be operative unless and until another Emergency shall occur. To the extent that it considers it practical to do so, the Board of Directors shall manage the business of the Corporation during an Emergency in a manner that is consistent with these By-Laws and the Certificate of Incorporation. It is recognized, however, that in an Emergency, it may not always be practical to act in this manner and this Article XI is intended to, and does hereby, empower the Board of Directors with the maximum authority possible under the DGCL and all other applicable law to conduct the interim management of the affairs of the Corporation in an emergency in what it considers to be in the best interests of the Corporation, including, without limitation, taking any action that it determines to be practical and necessary to address the circumstances of the Emergency. Nothing contained in this Article XI shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of the DGCL that have been or may be adopted by corporations created under the DGCL.

Section 2. Meetings; Notice. During any Emergency, a meeting of the Board of Directors or any committee thereof may be called by any member of the Board of Directors or such committee or the Chairman of the Board, the Chief Executive Officer, the Corporate Secretary or any executive officer of the Corporation. Notice of the place, date and time of the meeting shall be given by any available means of communication by the person calling the meeting to such of the directors or committee members and Designated Officers as, in the judgment of the person calling the meeting, it may be feasible to reach. Such notice shall be given at such time in advance of the meeting as, in the judgment of the person calling the meeting, circumstances permit.

Section 3. Quorum. At any meeting of the Board of Directors called in accordance with Section 2 of this Article XI, the presence or participation of one director shall constitute a quorum for the transaction of business, and at any meeting of any committee of the Board of Directors called in accordance with Section 2 of this Article XI, the presence or participation of one committee member shall constitute a quorum for the transaction of business. In the event that no directors are able to attend a meeting of the Board of Directors or any committee thereof, the presence or participation of two Designated Officers shall constitute a quorum for the transaction of business. The Designated Officers in attendance shall serve as directors, or committee members, as the case may be, for the meeting, and will have full powers to act as directors, or committee members, as the case may be, of the Corporation.

Section 4. Liability. No officer, director or employee of the Corporation acting in accordance with the provisions of this Article XI shall be liable except for willful misconduct.

Section 5. Amendments. At any meeting called in accordance with Section 2 of this Article XI, the Board of Directors, or any committee thereof, as the case may be, may modify, amend or add to the provisions of this Article XI as it deems it to be in the best interests of the Corporation so as to make any provision that may be practical or necessary for the circumstances of the Emergency.

Section 6. Repeal or Change. The provisions of this Article XI shall be subject to repeal or change by further action of the Board of Directors or by action of the shareholders, but no such repeal or change shall modify the provisions of Section 4 of this Article XI with regard to action taken prior to the time of such repeal or change.

Approved by the Board of Directors effective November 2, 2021.

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: November 4, 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: November 4, 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 September 30, 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
November 4, 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 September 30, 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
November 4, 2021