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Cigna

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Introduction

Cigna stands today as one of the world's most prominent managed healthcare and insurance companies, operating on a truly global scale. Headquartered in Bloomfield, Connecticut, Cigna's distinct identity is shaped by centuries-old roots, industry-shaping mergers, and an unwavering commitment to transforming health and well-being for millions. From its earliest beginnings as separate insurance entities, Cigna has evolved through innovation, adaptation, and strategic vision—emerging as a leader in an increasingly complex healthcare landscape.

This book, "Cigna: Portrait of a Global Company," is a comprehensive examination of the company's history and multifaceted business model. Our goal is to illuminate not only the chronological story of Cigna's rise but also the internal dynamics that have defined its growth, resilience, and influence. Through a detailed exploration of business lines, leadership decisions, market strategies, and impact areas, readers will gain a nuanced understanding of how Cigna adapted to change—from the insurance needs of early America to today's data-driven, holistic approach to health.

At the heart of Cigna's story are the pivotal moves that shaped the company: the foundational merger of the Insurance Company of North America and Connecticut General, bold acquisitions that expanded its footprint at home and abroad, and calculated divestitures that allowed it to refocus on healthcare. This book traces these milestones, providing context to the people and vision behind the decisions that turned Cigna into an influential force in global health services.

The pages that follow also examine how Cigna's structure and product portfolio have evolved to address the varied needs of individuals, employers, government bodies, and international organizations. With a business model that increasingly integrates insurance with technology-driven health management, Cigna is at the forefront of industry change. We look at how divisions like Cigna Healthcare and Evernorth Health Services provide comprehensive solutions, and how continued investments in innovation and data analytics are shaping the future of health delivery.

Equally essential to this portrait is an exploration of Cigna's social responsibility and its role as a corporate citizen. With programs addressing health equity, environmental sustainability, community philanthropy, and inclusion, Cigna's impact extends beyond bottom-line performance. Financially, the company's consistent growth, strategic transactions, and adaptability will be chronicled to provide insight into how Cigna remains resilient amid competitive and regulatory pressures.

As healthcare continues to evolve—driven by shifting demographics, regulatory

reforms, and technological leaps—Cigna’s strategies, partnerships, and leadership will determine its future trajectory. Whether you are a business leader, healthcare professional, policy expert, or curious observer, this book offers an in-depth look at how Cigna’s legacy, current operations, and strategic vision position it on the world stage as a dynamic, purpose-driven company.

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CHAPTER ONE: Foundations: The Roots of Cigna

Every imposing oak begins as a tiny acorn, and the vast, global entity known today as Cigna likewise traces its origins back to much humbler beginnings – two distinct acorns planted in very different soil, centuries apart. To understand the portrait of Cigna, one must first look back, peeling away the layers of mergers, acquisitions, and strategic shifts to uncover the fundamental forces that necessitated the creation of its founding components. The story begins not in the modern corporate landscape of Connecticut, but in the bustling port city that served as America's nascent capital, and later, in a New England town emerging as a quiet powerhouse of financial security.

Our first point of departure is Philadelphia in the year 1792. The ink was barely dry on the U.S. Constitution, and the young nation was finding its feet. Philadelphia, with its deep-water port on the Delaware River, was the beating heart of American commerce. Ships from Europe, the Caribbean, and other burgeoning American ports crowded its docks, laden with goods – textiles, raw materials, agricultural products, and all the necessities and luxuries of a developing society. But this vibrant trade was fraught with peril.

Life at sea was a gamble. Violent storms could shatter hulls and send cargoes to the bottom of the ocean in minutes. Fire, a constant threat in the age of wooden ships and open flames, could turn a valuable vessel into a charred ruin faster than sailors could react. And while piracy was waning in some parts of the world, other risks like confiscation by foreign powers or unforeseen political turmoil added layers of uncertainty to every voyage. For the merchants, traders, and shipowners whose livelihoods depended on the safe passage of these vessels and their contents, this was a significant, often crippling, vulnerability.

Before the advent of formal insurance companies, merchants typically bore these risks individually or relied on informal agreements amongst themselves. A wealthy merchant might agree to underwrite a portion of a ship's cargo for a fee, essentially taking on the risk in exchange for a potential profit. This was a piecemeal system, however, lacking standardization and relying heavily on personal relationships and trust. If a major disaster struck – say, a hurricane that sank several ships in a single fleet – multiple underwriters could be ruined simultaneously, creating cascading financial instability. The need for a more structured, collective approach to risk was becoming increasingly apparent as American trade grew.

The idea of pooling resources to cover potential losses was not entirely new; rudimentary forms of insurance had existed in various parts of the world for centuries, notably in marine insurance in European trading centers like London and Amsterdam.

As American commerce expanded rapidly in the late 18th century, fueled by post-war optimism and entrepreneurial spirit, Philadelphia's business leaders recognized the need to adopt and formalize these practices to support their burgeoning economy.

It was in this environment that a group of prominent Philadelphia merchants, shipowners, and civic leaders convened. They understood that individual wealth, no matter how substantial, was insufficient to absorb the potentially catastrophic losses inherent in maritime trade. What was needed was a collective body, formally organized and capitalized, that could spread the risk across a larger pool of participants and ventures. This would provide a degree of financial security previously unattainable, enabling bolder trade expeditions and fostering economic growth.

Thus, in 1792, the Insurance Company of North America (INA) was founded in Philadelphia. Its creation marked a significant step in the evolution of American finance and commerce. INA wasn't just another trading venture; it was one of the first formally incorporated stock insurance companies in the United States. Its initial focus, born directly from the most pressing needs of the time and place, was marine and fire insurance. It aimed to provide reliable coverage against the twin scourges of sea disasters and urban conflagrations, offering peace of mind to merchants and property owners.

The founding of INA was a forward-thinking move, reflecting a sophisticated understanding of risk management for its era. By pooling the capital of its shareholders, the company could absorb losses that would crush an individual. It operated on the principle that while individual ships might be lost or individual buildings might burn, not *all* of them would, allowing the premiums collected from the many to cover the losses of the few, while ideally generating a profit for the shareholders.

Early operations involved assessing the risks associated with specific voyages or properties. Underwriters, knowledgeable about shipping routes, vessel construction, cargo types, and construction methods for buildings, would evaluate the potential exposure and set premiums accordingly. This was a far cry from today's data-driven actuarial science; it relied heavily on experience, judgment, and sometimes, just plain intuition. Despite the rudimentary methods, the system worked well enough to provide a crucial service to the growing economy.

INA quickly established itself as a vital institution in Philadelphia and beyond. As American trade networks expanded, so did the company's reach and reputation. While marine and fire insurance remained its core business for many years, the company showed an early inclination towards diversification, gradually expanding its offerings to include other forms of property and casualty coverage as new risks emerged in a developing nation. It navigated economic cycles, periods of international conflict affecting trade, and significant urban fires, learning and adapting with each challenge.

Its legacy as a pioneer in American insurance was firmly established in these early decades.

Fast forward several decades, through industrialization, westward expansion, and a nation tearing itself apart and then stitching itself back together. The year is now 1865. The American Civil War had just ended, leaving a nation grappling with the immense human and economic cost of conflict. While trade remained vital, other concerns had risen to prominence. The risks faced by individuals and families had evolved.

In the mid-19th century, the concept of "life insurance" was gaining traction. While earlier forms existed, the period saw the rise of companies specifically focused on protecting the financial well-being of families in the event of a breadwinner's death. The war itself had, perhaps paradoxically, highlighted the fragility of life and increased awareness of the need for financial planning for unforeseen circumstances. As industrialization drew more people into urban centers and away from the self-sufficient farmsteads of previous generations, families became more reliant on a single income earner, making the economic shock of death or disability more profound.

This brings us to Hartford, Connecticut. By 1865, Hartford was already cementing its reputation as a hub for the insurance industry. Several prominent life insurance companies had already set up shop there, drawn by a combination of factors: a supportive state regulatory environment (though 'regulation' was a looser concept than it is today), a growing pool of financial expertise, and perhaps simply a critical mass effect where the presence of some attracted others. Unlike the bustling port chaos of late 18th-century Philadelphia, Hartford offered a more stable, albeit equally commercially minded, environment focused on long-term financial contracts rather than immediate trade risks.

It was in this setting that the Connecticut General Life Insurance Company (CG) was founded in 1865. Its mission was distinct from INA's initial focus. CG was established specifically to provide life insurance and, later, employee benefits. While INA dealt with the risks faced by *property* and *ventures*, CG was focused on the risks faced by *people* - the risk of premature death interrupting a family's financial security or the risk of illness and injury affecting a worker's ability to earn.

The founding of CG reflected the social and economic changes of the era. A growing middle class had the means and the foresight to consider financial protection for their families. The rise of larger businesses and industrial enterprises also created a need for group coverage, laying the groundwork for what would become the employee benefits market. CG aimed to serve this growing demand for personal financial security, offering policies that would pay out a sum of money upon the death of the insured, providing a safety net for surviving dependents.

Operating a life insurance company in 1865 involved different challenges and methodologies than marine or fire insurance. While INA assessed risks based on specific voyages or structures, CG's business relied on understanding mortality rates across large populations. The field of actuarial science was developing, providing the mathematical tools to estimate how many people of a certain age and health status were likely to die in a given year, allowing the company to calculate premiums that would cover expected payouts and operating costs while still being competitive.

Early life insurance policies were simpler than today's complex offerings, but they provided a fundamental layer of protection. CG, along with its Hartford peers, played a role in standardizing practices and building public trust in this relatively new financial product. They navigated epidemics, economic downturns that challenged policyholders' ability to pay premiums, and the complex task of investing the pooled premiums safely to ensure funds were available for future claims.

Both INA and Connecticut General, though founded in different centuries and focused initially on different types of risk (property vs. life), shared a common fundamental purpose: to provide a mechanism for individuals and businesses to mitigate financial uncertainty through collective pooling of risk. INA responded to the needs of a trading nation vulnerable to physical loss, while CG addressed the needs of a growing, industrializing society increasingly aware of the human cost of mortality and illness.

These separate origins, rooted deeply in the economic and social fabric of their respective times, would define the core competencies and cultures of the two companies for over a century. INA became a leader in property and casualty insurance, while CG became a major force in life insurance and employee benefits. They grew, adapted, and expanded their offerings independently, each building a formidable presence in the American insurance market through distinct pathways. This tale of two beginnings, one born of maritime risks and urban fires, the other of human mortality and industrial change, sets the stage for understanding the diverse strengths and historical trajectory that would eventually lead these two venerable institutions towards a momentous union. But before that union, each company would forge its own significant legacy, a story that unfolds in the decades leading up to their eventual convergence.

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