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CIGNA Corp.

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Introduction

CIGNA Corp.: The Story of An American Company delves into the multifaceted history and present-day journey of one of the United States' most prominent healthcare and insurance organizations. As a fixture in the American corporate landscape for more than two centuries, Cigna's story mirrors the broader transformation of the nation's insurance, healthcare, and financial sectors. From its deep historical roots in 18th-century marine insurance to its current status as a Fortune 500 multinational, The Cigna Group offers a case study in endurance, adaptation, and innovation.

The evolution of Cigna is not a simple tale of expansion or profit. Rather, it is marked by constant reinvention: strategic mergers, shifts in business focus, and a careful balancing act between risk and opportunity. The creation of Cigna in 1982, forged from the union of the Insurance Company of North America and Connecticut General, signaled a new era for American insurance. These two foundational companies brought different strengths and cultures, setting the tone for Cigna's ongoing transformation amid a turbulent industry landscape.

Over the decades, Cigna has navigated a wave of societal and economic changes—from the rise of managed care and global expansion to the increasing role of technology and digital health in patient care. Its acquisitions and divestitures, including the transformative purchase of Express Scripts and realignment under the Evernorth brand, reflect broader industry trends where competition, regulation, and innovation drive continuous change. At the same time, it has faced scrutiny over its business practices, legal challenges, and the broader debate over the role of large corporations in American healthcare.

Yet, Cigna's ambitions extend beyond financial metrics. With deepening investments in sustainability, diversity, and community health, the company has positioned itself as a leader in corporate social responsibility, striving to deliver not only profitable growth but also positive societal impact. Initiatives for reducing environmental impact, supporting a diverse workforce, and enhancing access to care signal a commitment to stakeholders that transcends traditional boundaries.

As the healthcare landscape becomes ever more complex, the challenges facing Cigna are formidable: the relentless rise of medical costs, evolving consumer expectations, pressure from regulators and competitors, and the need for ongoing innovation. Through exploring Cigna's past, present, and potential futures, this book offers valuable insights into how a legacy institution can remain both resilient and relevant.

By retracing Cigna's journey, examining its successes and missteps, and looking

closely at the forces that have defined—and continue to reshape—its destiny, this story invites readers to consider what it takes to thrive in a relentlessly changing business and social environment. Above all, CIGNA Corp.: The Story of An American Company is a testament to the enduring power of adaptation, vision, and leadership at the crossroads of commerce and care.

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CHAPTER ONE: The Birth of Insurance in America: INA's Founding in 1792

The story of Cigna Corporation, a modern healthcare and insurance giant, begins not in the polished boardrooms of the 20th century, but in the bustling, nascent port cities of 18th-century America. It was a time of burgeoning trade, ambitious merchants, and voyages fraught with peril. The very concept of insurance, though ancient in its origins, was still finding its footing in the newly independent United States. Enter the Insurance Company of North America (INA), a foundational pillar of Cigna's heritage, established in Philadelphia in 1792.

Philadelphia, at the close of the 18th century, was a vibrant hub of commerce, a city where fortunes could be made and lost with the ebb and flow of maritime ventures. Merchants, with their ships laden with goods, faced an unpredictable world. Storms, piracy, and unforeseen calamities at sea loomed large, threatening to wipe out entire investments with a single stroke of bad luck. In this environment, the need for a mechanism to spread risk was acutely felt. While informal arrangements and individual underwriters had existed, a more structured and reliable system was clearly necessary.

Prior to the formation of corporations, individual underwriters, often merchants themselves, would literally "underwrite" policies by signing their names beneath the details of a risk they were willing to cover. This ad hoc system, while functional, lacked the institutional solidity needed for a rapidly expanding economy. The formation of an actual company, with capital and a formal structure, represented a significant leap forward. It promised greater stability and a more centralized approach to managing the inherent uncertainties of trade.

In November 1792, a group of prominent citizens gathered at the Pennsylvania State House, now known as Independence Hall, in Philadelphia. Their initial aim was to salvage a failed tontine — an early form of annuity combined with a lottery — but their discussions soon pivoted to a more pressing need: a robust insurance company. The outcome of these meetings was the unanimous decision to form the Insurance Company of North America. This marked a pivotal moment, as INA became the first marine insurance company in the United States and the nation's oldest stockholder-owned insurer.

The nascent company, established with a capital of \$600,000, quickly set about its business. Its very first policies, fittingly, were marine policies, insuring the hull and cargo of a ship named "America" on its voyage from Philadelphia to Londonderry,

Northern Ireland. This initial focus on marine insurance was entirely logical, given the economic realities of the time. Sea voyages were the lifeblood of international trade, and protecting those ventures was paramount to economic stability and growth.

However, INA's ambitions stretched beyond simply insuring ships and their cargo. Just two years after its founding, in 1794, the company ventured into the realm of life insurance. These early life insurance policies were far from the comprehensive plans offered today; they were primarily designed to cover the risks faced by sea captains during their perilous voyages. Intriguingly, these policies even included a clause promising benefits in the grim event that a Barbary Coast pirate captured the captain. It was a testament to the unpredictable nature of maritime travel and the innovative spirit of early American insurers.

INA's expansion didn't stop there. While its origins were firmly rooted in marine and a nascent form of life insurance, the company soon diversified into other areas. It quickly moved into fire insurance, a critical need in cities where wooden structures and open flames posed a constant threat. Unlike existing fire insurance companies that only covered buildings, INA, drawing from its marine insurance experience, introduced the novel concept of also insuring the contents *within* those buildings. This broadened scope reflected an understanding that true protection extended beyond the physical shell to the valuable possessions inside.

The growth of INA was also tied to the expanding reach of American commerce itself. As the young nation looked beyond its borders, so too did its insurance companies. By 1873, INA had established its first international agents in Canada. This was followed by agents in London, Vienna, and Buenos Aires. A particularly noteworthy achievement came in 1897 when INA appointed the Yang-Tsze Insurance Association, Ltd., as its agents in Shanghai, becoming the first American insurer to underwrite in China. This pioneering move into the Chinese market highlighted INA's foresight and its commitment to global expansion, a characteristic that would remain central to Cigna's strategy centuries later.

The journey of early American insurance companies like INA was not without its challenges. The industry in the 19th century was often fragmented, and while INA managed to maintain a strong position, others struggled. Issues such as ensuring adequate capital, managing claims, and establishing effective risk assessment methods were constant concerns. However, INA distinguished itself through its reliability. Following major disasters like the Great Chicago Fire of 1871 and the devastating San Francisco earthquake and fire of 1906, INA was among the few insurance companies that paid its claims in full. This commitment to honoring its obligations built a reputation for trustworthiness that was invaluable in an industry where confidence was paramount.

By the turn of the 20th century, INA had firmly established itself as a leading force in

American insurance. It continued to innovate, notably inventing the "homeowners policy" in 1950, which combined various types of fire, theft, and liability insurance into a single, convenient policy. This product was a resounding success, quickly becoming INA's most popular and widely imitated offering, demonstrating the company's ability to adapt to changing consumer needs.

The legacy of the Insurance Company of North America is one of pioneering spirit, strategic diversification, and a steadfast commitment to its policyholders. Its foundational work in marine, fire, and early life insurance, coupled with its expansion into international markets, laid the groundwork for the complex and expansive entity that Cigna would eventually become. The story of INA is, in essence, the origin story of a significant piece of America's financial and healthcare infrastructure, a tale of adapting to risk and providing essential safeguards in an ever-changing world.

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