

## **New York Life to acquire Cigna's group life and disability insurance business**

**NEW YORK and BLOOMFIELD, Conn., December 18, 2019** - New York Life, America's largest mutual life insurer, and Cigna, a leading global health service company, announced today that they have entered into a definitive agreement whereby New York Life will acquire Cigna's group life and disability insurance business for \$6.3 billion. The acquisition is expected to close in the third quarter of 2020, subject to applicable regulatory approvals and other customary closing conditions.

"This transaction increases the value we can deliver to our policy owners, strengthens our well-defined business model, and adds millions of customers to the New York Life family," said New York Life Chairman and CEO [Ted Mathas](#). "Cigna's group life and disability business enhances our portfolio of strategic businesses and is led by an experienced management team and high-quality workforce, who we look forward to welcoming to our company. We are fully committed to making this transition as seamless as possible for employees and clients alike."

The group life and disability insurance business will operate within New York Life's portfolio of strategic businesses, which, like Cigna's Group Insurance business, are industry leaders, highly profitable, and fully support New York Life's core retail life insurance franchise. These businesses reinforce New York Life's overall financial strength by generating capital that can contribute to its surplus, dividends, and earnings, which directly benefits the company's policy owners. In addition, the Cigna Group Insurance employees, as well as the employees who primarily support the acquired business, will transfer to New York Life.

"We are proud of what we have achieved in our life and disability business, and the world-class team that powers it. We are confident that clients and customers, including the many who also receive health and related benefits through Cigna, will continue to enjoy the high-quality benefits solutions and service for which this business is known," said Matt Manders, Cigna's President of Strategy and Solutions.

"Our team is excited to become a part of New York Life and continue to focus on the mission of providing financial security and peace of mind to individuals, families, and businesses across the country while our unwavering commitment to focusing on productivity will continue," said William Smith, President of Cigna Group Insurance. "We look forward to continuing our relationships with our valued customers and clients. New York Life is a highly-respected brand in our industry and has the capital, commitment, and trust to help us grow and thrive going forward."

In a multi-year collaboration, following closing, the parties will continue to bring an integrated Health / Group offering to clients and prospects who desire it.

### **Additional Information**

New York Life will pay Cigna cash consideration of \$6.3 billion. The transaction is not subject to a financing condition at closing. Cigna expects to realize approximately \$5.3 billion of net

after-tax proceeds from this transaction. Cigna expects to utilize proceeds of the transaction for share repurchase and repayment of debt in 2020. Cigna's Board of Directors has increased the company's share repurchase authority by \$3.0 billion to an aggregate amount of \$4.0 billion.

Cigna expects the impact of the transaction to be neutral to earnings per share in 2020 and modestly accretive to earnings per share in 2021. Cigna continues to expect to meet its deleveraging commitments made following the Express Scripts combination.

Credit Suisse Securities (USA) LLC is acting as financial advisor and Debevoise & Plimpton LLP is serving as legal advisor to New York Life.

BofA Securities is acting as financial advisor to Cigna. Sidley Austin LLP is serving as lead legal counsel, and Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as antitrust counsel, to Cigna. Wachtell, Lipton, Rosen & Katz is also advising Cigna on the transaction.

### **About New York Life**

New York Life Insurance Company ([www.newyorklife.com](http://www.newyorklife.com)), a Fortune 100 company founded in 1845, is the largest mutual life insurance company in the United States\* and one of the largest life insurers in the world. Headquartered in New York City, New York Life's family of companies offers life insurance, retirement income, investments, and long-term care insurance. New York Life has the highest financial strength ratings currently awarded to any U.S. life insurer from all four of the major credit rating agencies\*\*.

\*Based on revenue as reported by "Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual)," Fortune magazine, 6/1/19. For methodology, please see <http://fortune.com/fortune500/>.

\*\*Individual independent rating agency commentary as of 9/12/19: A.M. Best (A++), Fitch (AAA), Moody's Investors Service (Aaa), Standard & Poor's (AA+).

### **About Cigna**

Cigna Corporation (NYSE: CI) is a global health service company dedicated to improving the health, well-being and peace of mind of those we serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna Life Insurance Company of New York, Connecticut General Life Insurance Company, Express Scripts companies or their affiliates, and Life Insurance Company of North America. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance.

Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 165 million customer relationships throughout the world. To learn more about Cigna<sup>®</sup>, including links to follow us on Facebook or Twitter, visit [www.cigna.com](http://www.cigna.com).

## Notes:

<sup>1</sup> 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 or privately negotiated transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including through Rule 10b5-1 trading plans. The program may be suspended or discontinued at any time.

<sup>2</sup> Earnings per share means adjusted income from operations on a fully diluted basis. At the consolidated level, adjusted income from operations is not determined in accordance with accounting principles generally accepted in the United States ("GAAP") and should not be viewed as a substitute for the most directly comparable GAAP measure, shareholders' net income. Adjusted income (loss) from operations is defined as shareholders' net income (loss) excluding the following adjustments: earnings contributions from transitioning pharmacy benefit management clients, Anthem Inc. and Coventry Health Care, Inc., net realized investment results, amortization of acquired intangible assets, and special items. Adjusted income (loss) from operations is measured on an after-tax basis for consolidated results.

## CIGNA FORWARD LOOKING STATEMENTS

This press release, and oral statements made in connection with this release, may contain 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 include statements relating to the impact of the sale of Cigna's group disability and life insurance business, including, without limitation, the impact of the transaction on Cigna's projected earnings per share, Cigna's share repurchase, debt repayment and other capital deployment plans, the projected closing date for the transaction and the projected impact of the transaction on the parties. 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: receipt of the regulatory approvals necessary for the transaction; the satisfaction or waiver of closing conditions for the transaction; effects on the business as a result of uncertainty surrounding the proposed transaction; as well as more specific risks and uncertainties discussed in Cigna's most recent report on Form 10-K and

subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of [www.cigna.com](http://www.cigna.com). 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.