

REPORT ON EXAMINATION
OF
CIGNA WORLDWIDE INSURANCE COMPANY
AS OF
DECEMBER 31, 2008

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

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The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in black ink, appearing to be "Karen Weldin Stewart".

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

Dated this 29th day of June, 2010

Karen Weldin Stewart, CIR-ML
Commissioner



Delaware Department of Insurance

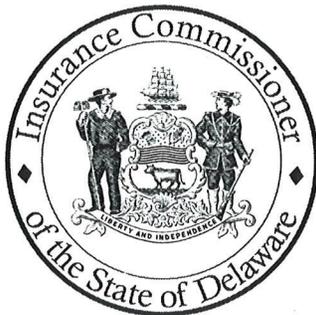
I, Karen Weldin Stewart, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of December 31, 2008 of the

CIGNA WORLDWIDE INSURANCE COMPANY

is a true and correct copy of the document filed with this Department.

Attest By: *Sonia C. Harris*

Date: 29 June 2010



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover, this 29TH day of June, 2010.

Karen Weldin Stewart, CIR-ML
Insurance Commissioner

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March 13, 2010

SALUTATION

Honorable Karen Weldin Stewart, CIR-ML
Insurance Commissioner
State of Delaware, Insurance Department
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Certificate of Authority No. 09.033, an examination has been made of the affairs, financial condition and management of the

CIGNA WORLDWIDE INSURANCE COMPANY

hereinafter referred to as the “Company” or “CWWIC”, incorporated under the laws of the State of Delaware as a stock insurance company. The examination was conducted at the main administrative office of the Company, located at 590 Naamans Road, Claymont, Delaware 19703.

The report of such examination is respectfully submitted herewith.

SCOPE OF EXAMINATION

The last examination was conducted as of December 31, 2004. This examination covered the period from January 1, 2005 through December 31, 2008, and encompasses a general review of the Company's business policies and practices, as well as management, and relevant corporate matters, with a determination of the financial condition of the Company at December 31, 2008. Transactions subsequent to the examination date were reviewed where deemed necessary.

This report is presented on the exception basis. It is designed to set forth the facts with regard to any material adverse findings disclosed during the examination. The text will explain changes wherever made. If necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such cases, these matters were thoroughly discussed with responsible Company officials during the course of the examination.

The examination was conducted in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook (Handbook). The NAIC Handbook requires that the examination evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also assessed the principles used by and significant estimates made by management, and evaluated the overall financial statement presentation, management's compliance with Statutory Accounting Principles and NAIC Annual Statement instructions when applicable to domestic state laws and regulations.

HISTORY

The Company was incorporated on August 10, 1976 under the laws of the State of Delaware as a stock insurance company having perpetual existence. The name of the Company was INA Insurance Company of America. On May 17, 1978, the name of the Company was changed to INA International Insurance Company. The Company commenced operations on May 17, 1979. On August 7, 1984, the current name, CIGNA Worldwide Insurance Company, was adopted.

From inception until December 31, 1995, all of the Company's outstanding common stock was owned by CIGNA Reinsurance Company. Since that date the stock ownership has been transferred three times within the CIGNA Corporation Holding Company System.

Initially, on December 31, 1995, the Company was transferred to INA Corporation. On May 31, 1996, it was transferred to CIGNA International Holdings, LTD; and lastly on July 2, 1999, it was transferred to CIGNA Global Reinsurance Company, Ltd. (Bermuda), the Company's direct parent as of December 31, 2008.

The Company is licensed to write life and annuity business in the State of Delaware and internationally. As of December 31, 2005 the Company terminated its authority to write Property, Surety, Marine & Transportation & Casualty lines of business.

The Company is Sarbanes Oxley (Sections 302 and 404) compliant and has an Enterprise Risk Management program in place through the ultimate parent, CIGNA Corporation (CIGNA).

At the time of the previous examination, CWWIC reported a large book of life and annuity business generated by a branch in Hong Kong. During the examination period, this business was transferred to affiliated insurers in Hong Kong.

CWWIC's primary business is expatriate business, offering life and health benefits to individuals working outside their country of domicile. Most of CWWIC's business is provided to U.S. citizens working internationally. The Company's business is generated by CIGNA International Expatriates Benefits (CEIB), a unit of CIGNA.

CIGNA Corporation is a global insurer with clients that have healthcare needs throughout the United States and the world. In order to simplify the process for their clients, CIGNA is offering them the option of moving their expatriate business to Connecticut General Life Insurance Company (CGLIC), a Connecticut-domiciled insurer licensed in all fifty states of the U.S. This process would allow the client-policyholder to have one insurer providing all their healthcare needs, rather than having the domestic healthcare needs provided through one CIGNA entity (CGLIC) and their expatriate healthcare needs provided through CWWIC, which is only licensed in the State of Delaware and therefore can not provide domestic healthcare in the United States. Due to CIGNA's action, the Company's premium income declined considerably during the period under examination and is expected to decline in the future.

CORPORATE RECORDS

As mentioned above, the Company was incorporated on August 10, 1976 under the laws of the State of Delaware as a stock insurance company having perpetual existence. The certificate was amended once during the examination period on February 17, 2006 to reflect the following:

“To engage in and carry on the business of insurance and reinsurance of the following kinds and classes: life, including annuities, variable annuities, credit life, health and credit health”.

This amendment removed the Company's authority to write property-casualty business.

The recorded minutes of the shareholder, Board of Directors and committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events, including approval of investments.

MANAGEMENT AND CONTROL

Management

The Company's bylaws, as most recently amended on July 15, 1996, state that the business affairs and corporate activities shall be managed by a Board of Directors consisting of one or more members. The Directors shall be elected at the annual meeting of the stockholders and shall hold office until a successor is elected and qualified. It is not necessary for the Directors to be stockholders.

The bylaws provide that the Board, by resolution passed by a majority, designate one or more committees that shall consist of two or more Directors. The Board has designated an Executive Committee to oversee Company operations.

On the 2008 Annual Statement Jurat Page, the Company listed five members of the Board. As per the examination review, only three members were actually elected. Therefore, the following recommendation is noted:

It is recommended that on all future Annual Statement filings, the members of the Board of Directors be accurately reported.

The Board of Directors duly elected in accordance with the bylaws and serving as of December 31, 2008, was as follows:

<u>Name of Director</u>	<u>Principal Business Affiliation</u>
David S. Scheibe	President and Treasury Senior Director
Johan M. De Jong	Senior Vice President and Chief Counsel
Ronald Duld	Vice President and Controller

The Executive Committee has any and all powers of the Board during the interval between Board meetings. The bylaws provide that the findings of the committees shall be reported to the Board. The members of the Executive Committee at year end 2008 were:

Executive Committee

David S. Scheibe
Ronald Duld

The bylaws, as amended, state that the officers of the Company shall include a President, and a Secretary. The Board of Directors may also appoint a Chairman and a Vice Chairman of the Board and may also choose one or more Vice Presidents, Assistant Secretaries, a Treasurer and one or more Assistant Treasurers.

The following persons were elected by unanimous vote of the Board of Directors, as the key officers of the Company and were serving as such at December 31, 2008:

<u>Name</u>	<u>Principal Occupation</u>
David S. Scheibe	President and Treasurer
Johan M. DeJong	Senior Vice President and Chief Counsel
Robert J. Hughes	Senior Vice President
Ronald H. Duld	Vice President and Controller
Gus Giraldo	Vice President
Brian Iaia	Vice President
Shirley Puccino	Vice President
Allan Santos	Actuary
Mark L. Vertefeuille	Investment Officer
Shermona Mapp	Corporate Secretary

Subsequent to the examination date, several of the Company's officers were replaced. See the "SUBSEQUENT EVENTS" section of this report for additional comments.

It was noted that written correspondence was submitted to the Delaware Department of Insurance in regards to the changes in officers and directors during the period under examination in compliance with 18 Del. C. §4919.

Holding Company System

The Company is a member of an Insurance Holding Company System as defined under Chapter 50, "Insurance Holding Company System Registration" of the Delaware Insurance Code. The ultimate parent of the system is CIGNA Corporation, a Delaware Corporation. The CIGNA group of companies is a leading provider of insurance and related financial services throughout the United States and around the world. As of December 31, 2008, the ultimate parent reported the following financial data:

Total Assets	\$41,406,000,000
Total Revenues-2008	\$19,101,000,000
Net Operating Income-2008	\$ 1,348,000,000
Shareholders' Equity	\$ 5,203,000,000

In compliance with Regulation 13 and Chapter 50 of Title 18 of the Delaware Insurance Code, the Insurance Holding Company System Registration Statement was filed with the State of Delaware Insurance Department during each year under review. The following is a limited organizational chart, which reflects the identities of the Company, its parents and subsidiary as of December 31, 2008:

CIGNA Corporation

CIGNA Investment Group, Inc.

CIGNA Global Holdings, Inc.

CIGNA Global Reinsurance Company, LTD.

CIGNA WORDWIDE INSURANCE COMPANY

PT Asuransi Niaga CIGNA (Indonesia- 80% interest)

CORPORATE GOVERNANCE

In 2008, CIGNA Corporation decided to reorganize the makeup of the Company's Board of Directors. As noted above, as of December 31, 2008, CWWIC's Board had three members: David Scheibe, who also serves as President and Treasurer of the Company; Johan M. DeJong, Senior Vice President and Chief Counsel; and Ron Duld, Vice President and Controller. The

Board members appear to be experienced and qualified. It was noted that the Board's Investment Committee was disbanded and that David Scheibe, working with CIGNA Corporation's Investment Department, has assumed management of the Company's investments.

The President of CIGNA's Expatriate International Business Unit (CEIB) normally serves as Vice President of CWWIC. The individual serving in that position at year end 2008 was terminated in 2009 and was replaced in the fourth quarter of 2009. The CEIB sales team is responsible for selling and soliciting business that is placed in either CWWIC or Connecticut General Life Insurance Company.

The bylaws of the Company serve as the Company's corporate governance framework. The Board of Directors approved the bylaws at the time the Company was incorporated. Subsequent amendments to the bylaws have been approved either by the Board of Directors of the Corporation or by the affirmative vote of a majority of the issued and outstanding shares of Common Stock of the Corporation. The bylaws have been implemented and are monitored by the Board of Directors.

The bylaws include provisions that address the Company's corporate governance requirements which relate to fulfillment of ethical objectives. All employees, officers, and directors are required to comply with the CIGNA Code of Ethics.

Officers of the Company and members of the Company's management are responsible for supplying reports directly to the Board of Directors. The Board of Directors of CIGNA Corporation has an active Audit Committee which coordinates a strong internal and corporate audit process throughout the Corporation.

Internal audit, in its oversight capacity, has broad knowledge about the Company which enables them to identify operational deficiencies as well as indicators of fraud. Internal audit assists in the monitoring of organizational objectives, the adherence with policies and procedures and the deterrence of fraud by examining and evaluating the effectiveness of the operational processes and the adequacy and effectiveness of internal controls as part of their audits. The scope of the Internal Audit program is coordinated with the Company's independent accountants to ensure adequate coverage and maximum efficiency. Internal Audit will from time to time conduct audits of CEIB. Executive Summaries are prepared and reports and findings are presented to senior management and CIGNA Corporate audit committee for review.

The Company is Sarbanes Oxley (Sections 302 and 404) compliant and has an Enterprise Risk Management program in place through the ultimate parent, CIGNA Corporation. The accounts and records reviewed by the examination included an evaluation of the Company's operational and organizational controls. The accounts and records reviewed also included an assessment of the Company's risk management process in identifying and controlling risks in the key operational areas of the Company. In making the assessment in each key activity, processes were reviewed, risks were identified, operational and organizational controls were identified and tested and the Company's methodology for assessing the effectiveness of the established mitigation factors was evaluated.

MANAGEMENT AND SERVICE AGREEMENTS

The following agreements were in effect at December 31, 2008.

Network Access Agreement

Effective July 1, 1999 and amended June 12, 2001, CWWIC entered into a Network Access Agreement with CGLIC which provide certain services to CWWIC with regard to its PPO network. In 2008, CWWIC paid CGLIC \$1million for these services.

Expense Sharing Agreement

In May 2006, CWWIC entered into an Expense Sharing Agreement with CGLIC in which the parties share expenses allocable to the CIGNA Expatriate Benefits business. In 2008, CGLIC allocated \$6.6 million in expenses to CWWIC.

Consolidated Tax Allocation Agreement

On April 1, 1982, the Company entered into a tax allocation agreement with CIGNA Corporation. The agreement was amended January 1, 1997 and sets forth the method of allocation of federal income taxes for CIGNA Corporation and certain of its wholly-owned domestic subsidiaries. The agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income, while those companies with current taxable income as calculated under federal separate return provisions are liable for payments determined as if each filed a separate return. However, a current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return.

Investment Advisory Agreement

Effective July 4, 2004, the Company entered into an investment advisory agreement with CIGNA Investment, Inc. (CII).

Custodial Agreement between CWWIC and JPMorgan Chase

In a restated custodial agreement, effective February 28, 2007, CWWIC entered into a Custodial Agreement with JPMorgan Chase Bank. JPMorgan agrees to act as custodian over the Company's assets in exchange for a fee as structured in the agreement. Review of the terms of the custodial agreement indicates that the agreement contained the proper indemnification clause as set forth in the "NAIC Financial Condition Examiners Handbook".

TERRITORY AND PLAN OF OPERATION

The Company is only licensed domestically in the State of Delaware. The specific lines the Company is authorized to write in the State of Delaware are as follows:

Life, including annuities
Variable Annuities
Credit Life
Health
Credit Health

As noted previously, CWWIC's primary business is expatriate business, which offers life and health benefits to individuals working outside their country of domicile. Most of CWWIC's business is provided to U.S. citizens working internationally. The Company's business is generated by CIGNA Expatriates International Benefits (CEIB), a unit within CIGNA Corporation. During 2008, the Company's business declined considerably. Interviews with Company management noted that the decline was due to a reallocation of premiums within

CIGNA. Most of CWWIC's larger policies, which were in effect during the prior examination period, were non-renewed and/or outright transferred to CGLIC.

CEIB decided to shift this business to CGLIC due to regulatory issues surrounding dependants of insured expatriates who were obtaining care in states in which CWWIC was not licensed. When CGLIC (which is licensed in all 50 states) took over this business the regulatory concerns in question were alleviated.

CEIB has several sales offices throughout the U.S. that it utilizes to underwrite its expatriate business. CEIB anticipates moderate premium growth consistent with corporate underwriting capacity. The Company does not anticipate that the CEIB operating plan will directly effect the operations of CWWIC in a significant way as the Company continues to have reduced participation in CEIB's underwriting agenda.

GROWTH OF COMPANY

The following information was obtained from the Company's filed Annual Statements:

Year	Admitted Assets	Capital & Surplus	Net Premium Income	Net Gain (Losses) Pre Tax	Net Income
2004	\$ 458,332,087	\$ 45,858,886	\$ 149,559,699	\$ 13,247,363	\$ 11,407,795
2005	516,710,492	50,470,962	155,743,428	33,175,038	15,003,591
2006	50,911,065	15,040,095	132,578,208	119,717,348	112,199,524
2007	60,732,970	17,426,754	57,368,078	11,327,996	9,095,319
2008	\$ 53,376,614	\$ 16,412,282	\$ 37,167,160	\$ 13,195,755	\$ 9,441,386

The Company transferred its Hong Kong branch operations to two non-US domiciled CIGNA affiliates effective October 1, 2006. The Company reported Net Income of

\$112,199,524 as of year-end 2006 mainly due to the gains of \$101, 500,000 from the transfer of the Hong Kong branch.

From 2006 to 2008: Admitted assets increased \$2,465,549 or 4.8%. Pre-tax income dropped from \$119,717,348 in 2006 to \$13,195,775 in 2008 or 89.0%. The income generated from the sale of the Hong Kong branch was reported in 2006. Capital and surplus increased \$1,372,187 or 9.1%. Premiums earned declined by \$95.4 million or 72.0% from 2006 to 2008. This decrease is primarily due to CIGNA's decision to offer their clients the option of using CWWIC or Connecticut General Life Insurance Company as their provider. There was an increase in net gain pre-tax from 2007 to 2008 in the amount of \$1,867,759 or 16.4%. Net income stayed consistent from 2007 to 2008 increasing \$346,067 or 3.8%.

REINSURANCE

The Company's total premiums and annuity considerations for 2008 were as follows:

Direct	\$ 29,937,520
Assumed	<u>72,578,011</u>
Gross	102,515,531
Ceded	<u>65,348,371</u>
Net	<u>\$ 37,167,160</u>

It was noted that \$57,327,805 of the assumed premiums came from Life Insurance Company of North America-Korea (LINA Korea). The Company has entered into multiple reinsurance agreements with LINA Korea where CWWIC assumes 100% of reinsurance as a pass through between LINA Korea and CIGNA Global Reinsurance Company. Per Company management, the reason for this type of transaction is that Korean regulators require a rated reinsurer for affiliate reinsurance. CWWIC has an A.M. Best rating and meets the Korean requirement. All the Korean reinsurance assumed by CWWIC is retroceded to CIGNA Global Reinsurance Company with the Company retaining no premium. The examination noted that the

assumed and ceded reinsurance treaties for Korea have been approved by the Delaware Insurance Department.

The examiners reviewed the Company's other assumed and ceded reinsurance agreements in effect as of the December 31, 2008 examination date that were of significance to our examination. The significant reinsurance contracts were with Colonial Medical Insurance Company and Highland Assurance, Inc.

Colonial Medical Insurance Company Ltd.

Effective May 1, 1996, the Company entered into a Reinsurance Agreement with Colonial Medical Insurance Company Limited (Bermuda) - (Colonial Medical). Simultaneously, the Company entered into an Administrative Services Agreement with Colonial Medical.

Per the agreements, Colonial Medical operates as a front to insure certain Key Local Nationals in the multinational employee benefits insurance market. Colonial Medical cedes 100% of all policy risks (group Life and group A&H) minus any mandated retentions to CWWIC, who administers the policies in question as if it were the direct insurer.

Assumed premiums generated from the agreement during 2008 were \$15,250,108 (for both Life and A&H), which is up from \$13,752,348 as of the December 31, 2004 examination date. This accounted for approximately 20.5% of total assumed premiums during 2008.

Highland Assurance, Inc.

The Company is party to a reinsurance agreement with Highland Assurance, Inc. The agreement has been in effect for several examination periods. Per the agreement, "obligations of the reinsurer (Highland) hereunder shall include all obligations of the Ceding Company (CWWIC) under the policies that are reinsured hereunder". A Trust Agreement has been established to the benefit of CWWIC. This agreement is essentially a fronting arrangement

with CWWIC serving as the fronting company. CWWIC directly writes the annuities and then cedes 100% of the liability and premium (less an administrative fee) to Highland.

NAIC RATIOS

Based on 2008 financial results, four NAIC IRIS ratios produced results outside the “usual” range as follows:

Adequacy of Investment Income: CWWIC’s ratio was considerably higher than the usual range because while the Company files the NAIC Life Insurance annual statement blank, only minimal life insurance premiums are written. The investment income realized by CWWIC greatly exceeds the tabular interest needed to support the life insurance reserves.

Non-Admitted to Admitted Assets: As discussed in Note #2 to the Financial Statements, the Company’s subsidiary in Indonesia, PT Asurani Niaga Cigna Life, does not provide an audit report prepared on a U.S. GAAP basis. Therefore, the entire value of the subsidiary, \$13,724,564, is non-admitted in accordance with SSAP #88. This action by the Company caused the unusual value to be reported.

Change in Premiums: As noted throughout this report, the management of CIGNA Corporation has sought to have the CEIB business written by Connecticut General Life Insurance Company, which is licensed in all jurisdictions of the United States. The Company’s premiums declined considerably in 2008 due to this action.

Change in Reserving: This ratio is limited to an insurer’s life insurance business. As noted above, CWWIC writes a very small amount of life insurance premiums. In this ratio, a variance of less than \$5,000 caused the unusual ratio result.

ACCOUNTS AND RECORDS

The examiners reviewed the accounts and records of the Company. This included a reconciliation of the Trial Balance to the Annual Statement and reviews of certain examination questionnaires; internal audit reports; claim, premium, accounting, and other operational and organizational processing flow charts along with a review of applicable external audit workpapers. No material discrepancies were noted.

PriceWaterhouseCoopers (PWC) audits CWWIC on an annual basis. The 2008 audit workpapers of PWC were reviewed by the examination and utilized to the extent possible.

The Company discovered errors in the financial statements for 2007 and therefore, their December 31, 2007 Annual Statement was restated. The Company discovered a misclassification of insurance reserves for a block of policies. These insurance reserves were incorrectly reported in the Company's 2007 statutory financial statements rather than in those of Connecticut General Life Insurance Company. In 2007, the Company's Life and Accident and Health and Contract liabilities were overstated by \$1.8 million, the Change in Net Deferred Tax Assets was overstated by \$0.2 million, and the Federal Income Taxes payable were understated by \$0.4 million.

Schedule Y- Part 2 is intended for the disclosure of various significant inter-company transactions occurring during a given calendar year. The examination revealed that the Company is not disclosing certain inter-company transactions in accordance with the NAIC Annual Statement Instructions. Therefore the following recommendation will be noted:

It is recommended that the Company comply with the NAIC's Annual Statement Instructions and include all applicable transactions with its affiliates on Schedule Y- Part 2 on all future filed Annual Statements.

FINANCIAL STATEMENTS

The following statements show the assets, liabilities, surplus and other funds of the Company, as determined by this examination, as of December 31, 2008.

Analysis of Assets
Liabilities, Surplus and Other Funds
Summary of Operations
Capital and Surplus Account
Examination and Surplus Changes

It should be noted that the various schedules and exhibits may not add to the totals shown due to rounding. With the exception of the Bonds and Common Stocks account and the Aggregate Reserve on Life Policies and Contracts account, write-ups on the individual accounts in the Notes to the Financial Statements section of this report are presented on the “exception basis”. Only comments relative to adverse findings, material financial changes, or other significant regulatory concerns are noted.

Analysis of Assets
December 31, 2008

	Ledger	Non	Net	
	<u>Assets</u>	Admitted	Admitted	<u>Note</u>
		<u>Assets</u>	<u>Assets</u>	
Bonds	\$26,310,145	\$ -	\$ 26,310,145	1
Common stocks	13,724,564	13,724,564		2
Cash and short-term investments	19,796,635	-	19,796,635	
Investment income due and accrued	279,871		279,871	
Uncollected premiums and agents' balances in the course of collection	1,448,918	575,944	872,974	
Amounts receivable from reinsurers	1,070,778	207,128	863,650	
Other amounts receivable under reinsurance contracts	360,870		360,870	
Other amounts receivable relating to uninsured plans	318,532	48,701	269,831	
Net deferred tax asset	2,738,000	141,000	2,597,000	
Receivable from parent, subs. and affiliates	3,232,973	1,207,335	2,025,638	
Aggregate write-ins for other than invested assets	<u>298,585</u>	<u>298,585</u>	<u> </u>	
Total Assets	<u>\$ 69,579,871</u>	<u>\$ 16,203,257</u>	<u>\$ 53,376,614</u>	

Liabilities, Capital, Surplus and Other Funds
December 31, 2008

		<u>Note</u>
Aggregate reserve for life policies and contracts	\$ 1,851,670	3
Aggregate reserve for accident and health policies	8,020,345	3
Policy and contract claims: Life	364,647	
Policy and contract claims: Accident & Health	5,969,343	3
Provision for experience rating refunds	506,547	
Other amounts payable on reinsurance	3,688,489	
Interest Maintenance Reserve	183,455	
Commissions to agents due or accrued	69,143	
Commissions and expenses allowance payable in reinsurance contracts	28,962	
General expenses due or accrued	55,147	
Current Federal Income Taxes payable	1,588,756	
Amounts withheld or retained by company as agent or trustee	5,119	
Remittances and items not allocated	1,333,454	
Asset valuation reserve	66,114	
Reinsurance in unauthorized companies	3,470,790	
Funds held under reinsurance contracts	7,706,964	
Payable to parent, subsidiaries and affiliates	487,642	
Aggregate Write-Ins for Liabilities	<u>1,567,746</u>	
Total Liabilities	<u>\$ 36,964,332</u>	
Common capital stock	2,500,000	
Gross paid in and contributed surplus	4,000,500	
Unassigned funds (surplus)	<u>9,911,782</u>	
Total Capital and Surplus	<u>\$ 16,412,282</u>	
Total Liabilities, Surplus and Other Funds	<u>\$ 53,376,614</u>	

Summary of Operations
December 31, 2008

Premiums and annuity considerations	\$ 37,167,160
Net Investment Income	2,102,575
Amortization of Interest Maintenance Reserve	113,660
Commissions and expense allowances on reinsurance ceded	159,456
Aggregate write-ins for miscellaneous income	977,416
Total Income	<u>\$ 40,520,267</u>
Death benefits	593,297
Annuity benefits	110,736
Disability benefits and benefits under accident and health policies	17,483,858
Increase in aggregate reserves for life policies and contracts	2,234,454
Commissions on premiums and annuity considerations	1,182,574
Commissions and expense allowance on reinsurance assumed	1,088,179
General insurance expenses	4,610,395
Insurance taxes, licenses and fees excl. federal income tax	21,019
Total Expenses	<u>\$ 27,324,512</u>
Net gain from operations after dividends to policyholders and before federal income taxes	<u>\$ 13,195,755</u>
Federal income taxes incurred	<u>3,720,330</u>
Net gain from operations after dividends to policyholders and federal income taxes	<u>\$ 9,475,425</u>
Net realized capital gains less capital gains tax	(34,039)
Net Income	<u><u>\$ 9,441,386</u></u>

Capital and Surplus Account
December 31, 2007 to December 31, 2008

Capital and Surplus, December 31, 2007	\$ 17,426,754
Net Income	\$ 9,441,386
Change in net unrealized capital gains	(2,747,838)
Change in net unrealized foreign exchange	2,112,469
Change in net deferred income tax	(311,000)
Change in non-admitted assets	1,725,894
Change in liability for reinsurance in unauthorized companies	(2,627,147)
Change in Asset Valuation Reserve	37,764
Dividends to Shareholders	(10,000,000)
Aggregate write-ins for gains and losses in surplus	1,354,000
Net change in capital and surplus for the year	<u>\$ (1,014,472)</u>
Capital and Surplus, December 31, 2008	<u>\$ 16,412,282</u>

SCHEDULE OF EXAMINATION ADJUSTMENTS

The examination will make no financial adjustments.

NOTES TO THE FINANCIAL STATEMENTS

1. Bonds **\$26,310,145**

Procedures were performed to confirm the existence and ownership of the investments reported in Schedule D, Part 1. These procedures were performed without exception. The Company primarily invests in bonds that are rated “1” or “2” by the NAIC SVO; with maturity dates consistent with the Company expected reserve payout.

2. Common Stocks **\$-0-**

The Company owns one subsidiary: PT Asuransi Niaga Cigna Life, worth \$13,724,564 as stated on Schedule D- Part 2- Section 2. CWWIC has an 80% interest in this subsidiary which is located in Indonesia. PT Asuransi does not provide audited financial

statements to CWWIC; therefore in accordance with SSAP #88, the value of the subsidiary is non-admitted.

3. Aggregate Reserve for Life Contracts	\$ 1,851,670
Aggregate Reserve for Accident and Health Contracts	8,020,345
Contract claims: Accident and Health	5,969,343

Art Lucker, FSA, MAAA of INS Consultants, Inc. (the examination's contractual actuarial firm), analyzed the reserves of the Company.

Reserves were reviewed for compliance with standard valuation laws, applicable National Association of Insurance Commissioner (NAIC) Actuarial Guidelines and Model Regulations. Reserve trends were also analyzed and generally produced reasonable results. Reinsurance reserve credits were reconciled with Schedule S and appeared reasonable. Reserves for sampled contracts were calculated in accordance with standard actuarial practice and comply with the minimum statutory requirements.

INS concluded that the balance sheet items enumerated in the examination scope appear fairly stated, but noted that some annuity reserves were calculated using incorrect valuation parameters. However, since most of the annuity reserves are ceded no financial adjustment was recommended. Based on the above discussion and analysis, INS has concluded that the December 31, 2008 balance sheet items covered in the examination scope appear fairly stated. However, the following recommendation is warranted:

It is recommended that CWWIC use the correct valuation interest rate for contracts issued in a given year and reflect the correct annuity structure for the applicable contracts.

COMPLIANCE WITH PRIOR EXAMINATION RECOMMENDATIONS

The Company's compliance with prior examination recommendations was reviewed. All prior examination recommendations were addressed in the current examination.

SUMMARY OF RECOMMENDATIONS

- 1) It is recommended that on all future Annual Statement filings, the members of the Board of Directors be accurately reported. (Management and Control, page 5)
- 2) It is recommended that the Company comply with the NAIC's Annual Statement Instructions and include all applicable transactions with its affiliates on Schedule Y-Part 2 on all future filed Annual Statements. (Accounts and Records, page 17)
- 3) It is recommended that CWWIC use the correct valuation interest rate for contracts issued in a given year and reflect the correct annuity structure for the applicable contracts. (Notes to the Financial Statements, page 23)

SUMMARY COMMENTS

The Company is Sarbanes Oxley (Sections 302 and 404) compliant and has an Enterprise Risk Management program in place through the ultimate parent, CIGNA Corporation.

Moving forward, it is the preference of CIGNA Corporation management to have all expatriate business written through Connecticut General Life Insurance Company (CGLIC). However, the option will be given to the customers upon renewal and the decision to switch to CGLIC or stay with CWWIC will remain with the customer. It is expected that CWWIC's business will continue to decline, and it is possible in the future, no expatriate business will be written by the Company.

Effective December 31, 2005 the Company terminated its authority to write property-casualty business.

CONCLUSION

As a result of this examination, the financial condition of CIGNA Worldwide Insurance Company as of December 31, 2008 was determined to be as follows:

<u>Description</u>	<u>December 31, 2008</u>	<u>December 31, 2004</u>	<u>Increase/Decrease</u>
Admitted Assets	\$ <u>53,376,614</u>	\$ <u>459,459,511</u>	\$ <u>(406,082,897)</u>
Liabilities	36,964,332	412,631,891	(375,667,559)
Capital and Surplus	<u>16,412,282</u>	<u>46,827,620</u>	<u>(30,415,338)</u>
Totals	\$ <u>53,376,614</u>	\$ <u>459,459,511</u>	\$ <u>(406,082,897)</u>

In addition to the undersigned, James Blair, Jr., CFE, CPA (Examination Supervisor) participated in the examination along with actuarial consulting services provided by the actuarial firm of INS Consultants, Inc. and the Information Technology audit was performed by INS Services, Inc.

Respectfully Submitted,



Albert M. Piccoli, Sr., CFE
Examiner In-Charge
State of Delaware

SUBSEQUENT EVENTS

Moving forward, it is the preference of senior management to have all expatriate business written through CGLIC. However, the option will be given to the customers upon renewal and the decision to switch to CGLIC or stay with CWWIC will remain with the customer. It is expected that CWWIC's business will continue to decline, and it is possible in the future, no expatriate business will be written by the Company. As of December 31, 2009, the Company's net premiums written decreased \$19,696,722, or 52.99%, from the prior year. Capital and Surplus also decreased \$7,446,988 or 45.37%. The December 31, 2009 results reflect the Company's decision as stated above.

Subsequent to year end, Bob Hughes, Senior VP of CEIB business operations was terminated and replaced by Andrew Kielty.