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VIA ELECTRONIC SUBMISSION TO [www.regulations.gov](http://www.regulations.gov)

Employee Benefits Security Administration  
Room N-5655  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

Attention: Claims Procedure for Plans Providing Disability Benefits Examination

**Re: Claims Procedure for Plans Providing Disability Benefits; Extension of Applicability Date (RIN 1210-AB39)**

To Whom It May Concern:

Cigna Corporation, together with its subsidiaries (either individually or collectively referred to as Cigna), is a global health services organization dedicated to helping people improve their health, well-being and sense of security. Our subsidiaries are major providers of medical, dental, disability, life and accident insurance and related products and services. Worldwide, we offer peace of mind and a sense of security to our customers seeking protection for themselves and their families at critical points in their lives.

Cigna appreciates the work of the Department of Labor (Department) stemming from Executive Order 13777, entitled Enforcing the Regulatory Reform Agenda, and reconsidering the crafting of regulations impacting individuals who might become disabled. Cigna thanks the Department for its subsequent proposal to delay for 90 days the applicability of the December 19, 2016 Final Rule amending the claims procedure requirements applicable to ERISA-covered employee benefit plans.

The Department's action is an important recognition of the far-reaching impact the Final Rule will have on a broad group of stakeholders. For example, it will impact whether employers offer employees a way to protect themselves and their families should they suffer illness or injury, based at least in part on the affordability of such coverage. The Final Rule also will impact claimants seeking timely and discernable outcomes with respect to applications for benefits. Additionally, it will burden the federal government, particularly because federal courts will receive lawsuits with underdeveloped claim records prior to completion of the administrative

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process. It will also force insurers to grapple with increased operating costs and unpredictable consumer behavior by unnecessarily encouraging reliance on expensive federal litigation to resolve underdeveloped but disputed claims that otherwise may have resolved under the current, less expensive administrative process.

Cigna has been working diligently to comply with the Final Rule and absorb the costs associated with it. Delaying the rule's applicability for 90 days is a step in the right direction, but Cigna believes a longer delay is warranted. While any delay would allow companies to better manage the transition to meeting new requirements as they are currently configured, should the Department make modifications to the Final Rule during this timeframe, most companies will still need many months to develop and/or reprogram information technology systems, retrain workers, and find and allocate resources for additional employees to keep pace with new requirements. Therefore, at a minimum, Cigna recommends delaying the Final Rule for 180 days to better accommodate the normal course of business and to alleviate some of the uncertainty employers and disability carriers currently face, while simultaneously giving them more time to prepare.

We make this recommendation in an attempt to minimize the repercussions of the Final Rule on the disability insurance market. Importantly, while roughly one-quarter of Americans will experience a disability before retirement, only about one-fifth of Americans have disability insurance. This inconsistency, coupled with data that show shrinking resources to pay for disability income insurance and the observed drop in coverage around the 2008 financial crisis, demonstrate consumer behaviors and price sensitivity in this particular market.

The Department noted the generalized nature of the feedback it has received with respect to the impact of the Final Rule and its interest in receiving more concrete data. Unfortunately, we see the same obstacles to providing such data as we did before. Given that much of the Final Rule's actual burden and impact are directly proportional to the consumer behaviors encouraged by the Final Rule, the full effect of the Final Rule will not be known for years and will take careful analysis to completely ascertain. It is an unprecedented undertaking for disability carriers to work together to compile data to analyze the impact of a rule on anticipated but unknowable consumer behavior. Data on the disability market, competitive landscape, and employer responses to pricing and new administrative requirements are difficult if not impossible to collect, especially because some plan rates are guaranteed for multiple years. Cigna concurs with many of the comments the Department has received since publishing the Final Rule and is committed to working with the industry to improve the Department's analytical capabilities.

Cigna believes the Department appreciates the limitation available data imposes on conducting meaningful analysis of the Final Rule and the constraint of a 60-day timeframe to unassailably challenge its economic impact given the hurdles the Department itself has acknowledged with the release of this proposal. Cigna also would encourage the Department to update its own public data the industry might rely upon to perform its analysis.

Therefore, Cigna believes it is appropriate to request an additional 30-60 days beyond the proposed December 11<sup>th</sup> date, to provide the requested data in support of industry-wide efforts to demonstrate how the Final Rule could be most harmful to claimants.

Thank you for considering these comments and for your efforts to strengthen the disability income insurance market through enhanced consumer protections and reasonable modifications to allow more individuals to enjoy the peace of mind afforded by this important coverage.

Respectfully,

A handwritten signature in blue ink, appearing to read "David Schwartz", is written over the typed name. The signature is fluid and cursive.

David Schwartz