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CIGNA Laying 109 Off

Sending Work To Philippines

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CIGNA HealthCare said Friday it will lay off 109 service employees nationwide, including 56 in Bloomfield, as it outsources the work offshore, another expense-cutting move in the company's ongoing turnaround effort.

The employees were notified Friday that their jobs will be eliminated during the first half of this year as the work is sent to the Philippines through a vendor, Accenture.

The affected jobs involve billing, processing of changes in health plan eligibility, and analyzing and processing work orders for identification cards, billing and claims data.

The job cuts are the most recent in a series of layoffs during the past four years at CIGNA, which is still recovering from multiple missteps that depressed profits and drove off customers.

The company has stabilized enrollment and expects it to start growing again this year.

But CIGNA, like other companies, is still looking for ways to reduce costs, and had already outsourced some work to India and Costa Rica through vendors. "Offshoring" of U.S. jobs has angered many workers.

The decision to outsource was a difficult one, but "the reality is all of our key competitors have established extensive outsourcing programs that have given them benefits and improved their competitive positioning," said Joe Mondy, a CIGNA spokesman. "We have to improve our responsiveness, quality and costs to help [CIGNA's] businesses to be more competitive in what is a tough environment."

As of the end of September, CIGNA had 4,572 employees in Connecticut, down 457 from the end of 2004. The company is not expected to release year-end 2005 employment figures until it announces year-end and fourth-quarter earnings.

It isn't clear how much of the 457-job drop was from layoffs and how much was from attrition. In 2004, CIGNA laid off 665 employees in Connecticut.

The Philadelphia-based company's health insurance business is based in Bloomfield.

As of last September, CIGNA's Connecticut workforce had shrunk by 2,098 since the

end of 2003, including the sale of its retirement services unit with 800 employees to Prudential Financial.

Companywide U.S. employment dropped to 26,139 as of Sept. 30, 2005, which was 1,584 lower than at the end of 2004. CIGNA had planned about 1,700 job cuts companywide in 2005.

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