

Delaware Court of Chancery Denies Damages After Collapse of Proposed \$54 Billion Merger

Date: 09/15/20

The Delaware Court of Chancery (“Chancery Court”) held that neither Cigna Corp. (“Cigna”) nor Anthem Inc. (“Anthem”) could recover billions of dollars in damages from one another after the 2017 abandonment of their proposed \$54 billion merger. On August 31, 2020, in a 311-page decision, the Court determined that a permanent injunction prohibiting the merger for violating antitrust law triggered a failure to satisfy the no-injunction provision in the merger agreement, eliminating obligations on either side to close the deal. The resulting decision leaves both parties managing the consequences and costly outcome of the failed merger.