WELLPOINT, INC
Form DEF 14A
April 02, 2013
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-12

WellPoint, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 2, 2013

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2013 Annual Meeting of Shareholders of WellPoint, Inc. (the Company). The meeting will be held at the Indiana History Center, 450 West Ohio Street, Indianapolis, Indiana, at 8:00 a.m., Eastern Daylight Time, on Wednesday, May 15, 2013. At the meeting, we will be voting on the matters described in this proxy statement.

We are providing access to our proxy materials over the Internet at www.envisionreports.com/wlp. On or about April 2, 2013, we will mail a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice) to the majority of our shareholders of record, and on or about the same date we will mail to our other shareholders who have requested it a printed copy of this proxy statement and a proxy card. On the mailing date of the E-Proxy Notice, all shareholders and beneficial owners will have the ability to access all of the proxy materials at the website listed above.

If you are unable to attend, it is still important that your shares be represented and voted. Therefore, regardless of the number of shares you own, PLEASE VOTE THROUGH THE INTERNET, BY TELEPHONE OR BY MAIL. Any shareholder who attends the meeting may vote in person, even if he or she has voted through the Internet, by telephone or by mail, provided that if your shares are registered in the name of a bank or your broker or other nominee, you must obtain a legal proxy from your bank, broker or other nominee and bring it with you to the Annual Meeting.

Any shareholder planning to attend the Annual Meeting must comply with the requirements for admission set forth in the accompanying proxy statement under Annual Meeting Admission on page 4.

We hope that you will be able to attend the meeting, and we look forward to seeing you.

Sincerely,

JOSEPH R. SWEDISH

Chief Executive Officer

JACKIE M. WARD
Chair of the Board

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF WELLPOINT, INC.

TO BE HELD MAY 15, 2013

TIME AND DATE	8:00 a.m., Eastern Daylight Time, on Wednesday, May 15, 2013
PLACE 450 West Ohio Street Indianapolis, Indiana 46202	Indiana History Center
ITEMS OF BUSINESS	(1) To elect the three members of the Board of Directors identified in the accompanying proxy statement for three-year terms. (2) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013. (3) To hold an advisory vote to approve the compensation of our named executive officers. (4) If properly presented at the meeting, to vote on one shareholder proposal set forth in the accompanying proxy statement. (5) To transact such other business as may properly come before the annual meeting and any adjournment or postponement.
RECORD DATE	You can vote if you are a shareholder of record on March 15, 2013.
ANNUAL REPORT	

Our 2012 Annual Report on Form 10-K, which is our Annual Report to Shareholders, is being made available with the accompanying proxy statement.

PROXY VOTING

It is important that your shares be represented and voted at the annual meeting. Whether or not you plan to attend the annual meeting, we urge you to vote your shares through the Internet or by telephone, as we describe in the accompanying materials. As an alternative, if you received a printed copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. You can revoke a proxy at any time prior to its exercise at the annual meeting by following the instructions in the accompanying proxy statement. Voting through the Internet, by telephone or by mail will not limit your right to vote in person or to attend the annual meeting.

By Order of the Board of Directors,

Kathleen S. Kiefer
Corporate Secretary

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2013 PROXY STATEMENT SUMMARY

The following is a summary of certain key disclosures in this proxy statement. This is only a summary, and it may not contain all of the information that is important to you. For more complete information, please review this proxy statement as well as our 2012 Annual Report on Form 10-K.

Annual Meeting of Shareholders

Wednesday, May 15, 2013 at 8:00 a.m., EDT
Indiana History Center, 450 West Ohio Street, Indianapolis, Indiana 46202

Proposals to be Voted on and Board Voting Recommendations

Proposals	Recommendations
Election of Directors	FOR EACH NOMINEE
Ratification of Ernst & Young LLP as Auditors for 2013	FOR
Advisory vote to approve the compensation of our Named Executive Officers	FOR
Shareholder proposal	AGAINST

Business Highlights

Our 2012 net income increased to $8.18 per share from $7.25 per share in 2011.

Medical enrollment increased by 1.9 million for the year to approximately 36.1 million members at December 31, 2012.

Beginning in the first quarter of 2012, the Board of Directors increased the quarterly cash dividend on our common stock by 15% to $0.2875 from $0.25 in 2011.

In December 2012, we completed the acquisition of AMERIGROUP Corporation (Amerigroup), one of the nation s leading managed care companies focused on meeting the health care needs of financially vulnerable Americans. This acquisition furthers our goal of creating better health care quality at more affordable prices for our customers. Amerigroup also advances our capabilities in effectively and efficiently serving the growing Medicaid population, including the expanding dual eligibles, seniors, persons with disabilities and long-term services and support markets.

Management and Compensation Highlights

2012 was a year of transition for our executive management team and our Board. In August 2012, John Cannon, our Executive Vice President, General Counsel, Secretary and Chief Public Affairs Officer, was named the Interim President and Chief Executive Officer (CEO), replacing Angela F. Braly. Further, the positions of Chair of the Board and CEO were separated and Jackie M. Ward, our Lead Director, was named the non-executive Chair of the Board succeeding Ms. Braly.

Mr. Joseph R. Swedish was selected by the Board as the new CEO, effective March 25, 2013. Mr. Swedish was also appointed to the Board of Directors, effective March 25, 2013, and is a nominee for election by our shareholders at this annual meeting.

Ms. Braly s compensation for 2012 reflects one-time payments made under the terms of her employment agreement as a result of her termination without cause. Mr. Cannon s 2012 compensation was adjusted to reflect his appointment and performance as the Interim President and CEO.

Leeba Lessin, who joined us with the acquisition of CareMore Health Group, Inc., became our Executive Vice President, Medicare Programs in November 2012 and Richard C. Zoretic, who joined us from Amerigroup, became our Executive Vice President, Medicaid Programs in December 2012.

Mr. Zoretic s compensation during 2012 included our payment of a cash award to him equal to the value of a restricted stock grant that he received in 2010 from Amerigroup, which was cancelled upon our cash payment to him at the time of the Amerigroup acquisition.

The 2012 compensation of our other Named Executive Officers (NEOs) reflects both our 2012 performance and our compensation philosophy.

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WELLPOINT, INC.

120 Monument Circle

Indianapolis, Indiana 46204

PROXY STATEMENT

Annual Meeting of Shareholders

May 15, 2013

Purpose

This proxy statement is being made available to shareholders on or about April 2, 2013 in connection with a solicitation by the Board of Directors of WellPoint, Inc. (WellPoint, the Company, we, us or our) of proxies to be voted at the annual meeting of shareholders and any adjournments or postponements, to be held at 8:00 a.m., Eastern Daylight Time, Wednesday, May 15, 2013, at the Indiana History Center, at 450 West Ohio Street, Indianapolis, Indiana, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. Shareholders will be admitted to the annual meeting beginning at 7:30 a.m., Eastern Daylight Time.

Internet Availability of Proxy Materials

We are using the e-proxy rules adopted by the Securities and Exchange Commission (the SEC) to furnish proxy materials to shareholders through a notice only model using the Internet. This allows us to reduce costs by delivering to shareholders a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice) and providing online access to the documents.

If you received an E-Proxy Notice by mail, you will not receive a printed copy of our proxy materials unless you specifically request one as set forth below. The E-Proxy Notice instructs you on how to access and review all of the important information contained in the proxy statement and our 2012 Annual Report on Form 10-K as well as how to submit your proxy through the Internet. On or about April 2, 2013, we mailed the E-Proxy Notice to the majority of our shareholders of record and a printed copy of these proxy materials to our other shareholders who had requested it.

This proxy statement, the form of proxy and voting instructions are being made available to shareholders on or about April 2, 2013, at www.envisionreports.com/wlp. If you received the E-Proxy Notice and would still like to receive a printed copy of the proxy materials, you may request a printed copy of this proxy statement and the form of proxy by any of the following methods: (a) telephone at 1-866-641-4276 in the United States, Canada or Puerto Rico or at 781-575-2300 from outside the United States, Canada or Puerto Rico; (b) Internet at www.envisionreports.com/wlp; or (c) e-mail at investorvote@computershare.com.

Record Date, Quorum and Vote Required

Record Date At the close of business on March 15, 2013, the record date for the annual meeting, there were 301,892,172 shares of our common stock outstanding and entitled to vote at the annual meeting.

Quorum In order for business to be conducted at the annual meeting, 25% of the votes entitled to be cast on a matter, represented in person or by proxy, must be present.

Vote Required You will have one vote for each share held. Shares of our common stock represented by properly executed proxies will be voted at the annual meeting in accordance with the choices indicated on the proxy. Abstentions on a specific proposal will be considered as present at the annual meeting and will be counted for purposes of determining whether a quorum is present.

Each proposal at the annual meeting will be approved only if the proposal receives more votes for than against. If your shares of our common stock are held in street name, and you do not provide your broker with voting instructions, your broker has the discretion to vote your shares of common stock for or against only Proposal 2, the ratification of the appointment of our independent registered public accounting firm, and not any of the other proposals. If your broker does not have discretion to vote your common stock without your instructions, this is referred to as a broker non-vote. Broker non-votes will not be considered as votes cast on these proposals.

Shareholders

Shares of our common stock may be held directly in your own name or may be held beneficially through a broker, bank or other nominee in street name. Summarized below are some distinctions between shares held of record and those owned beneficially:

Shareholder of Record If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares and we are providing proxy materials directly to you. As the shareholder of record, you have the right to vote in person at the annual meeting or to grant your voting proxy to the persons designated by us.

Beneficial Owner If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and you have been provided proxy materials from your broker, bank or other nominee who is considered the shareholder of record with respect to the shares. As the beneficial owner, you have the right to direct the broker, bank or nominee on how to vote your shares and are also invited to attend the annual meeting. Your broker, bank or nominee is obligated to provide you with a voting instruction card for you to use. However, since you are not the shareholder of record, you may not vote these shares in person at the annual meeting unless you bring with you to the annual meeting a legal proxy, executed in your favor, from the shareholder of record.

Employee Shareholder If you participate in the WellPoint 401(k) Retirement Savings Plan (the 401(k) Plan) and you are invested in our common stock fund in your account, you may give voting instructions to the plan trustee as to the number of shares of common stock equivalent to the interest in our common stock fund credited to your account as of the most recent valuation date coincident with or preceding the record date. The trustee will vote your shares in accordance with your instructions received by May 13, 2013 at 11:59 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 13, 2013 at 11:59 p.m., Eastern Daylight Time, by filing with the trustee either written notice of revocation or a properly completed and signed voting instruction card bearing a later date. Your voting instructions will be kept confidential by the trustee. If you do not send instructions for a proposal, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

Voting

Whether you hold shares as a shareholder of record or as a beneficial owner, you may vote before the annual meeting by granting a proxy or, for shares held in street name, by submitting voting instructions to your bank, broker or nominee. Most shareholders will have a choice of voting through the Internet or by telephone or, if you received a printed copy of the proxy materials, by completing a proxy card or voting instruction card and returning it in a postage-prepaid envelope. Please refer to the instructions below and in the E-Proxy Notice.

Through the Internet You may vote through the Internet by going to www.envisionreports.com/wlp and following the instructions. You will need to have the E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting through the Internet. If you want to vote through the Internet, you must do so before 11:59 p.m., Eastern Daylight Time, on May 14, 2013. **If you vote through the Internet, you do not need to return a proxy card.**

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By Telephone You may vote by touchtone telephone by calling (800) 652-8683. You will need to have your E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting by telephone. If you want to vote by telephone, you must do so before 11:59 p.m., Eastern Daylight Time, on May 14, 2013. **If you vote by telephone, you do not need to return a proxy card.**

By Mail If you are a beneficial owner, you may vote by mail by signing and dating your proxy card or voting instruction card provided by your broker, bank or nominee and mailing it in a postage-prepaid envelope. If you are a shareholder of record and you received a printed copy of our proxy materials, you may vote by signing and dating your proxy card or voting instruction card and mailing it in a postage-prepaid envelope. If you are a shareholder of record and received the E-Proxy Notice, in order to obtain a proxy card, please follow the instructions on the E-Proxy Notice. If you provide specific voting instructions, your shares will be voted as you instruct. **If you sign and date your proxy card, but do not provide instructions, your shares will be voted:**

FOR the election of each of our nominee directors,

FOR the ratification of the appointment of the independent registered public accounting firm for 2013,

FOR the approval of the compensation of our Named Executive Officers, and

AGAINST the shareholder proposal.

Changing Your Vote You may revoke your proxy at any time prior to the annual meeting. If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. If you attend the annual meeting and you are a shareholder of record, you will be given the opportunity to revoke your proxy and vote in person. **If you are a beneficial owner, you must have a legal proxy from your bank, broker or nominee in order to vote in person**.

Inspector of Elections Computershare Trust Company, N.A. has been appointed Inspector of Election for the annual meeting. The Inspector will determine the number of shares outstanding, the shares represented at the annual meeting, the existence of a quorum, and the validity of proxies and ballots, and will count all votes and ballots.

Confidentiality of Votes The vote of each shareholder is held in confidence, except (a) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company; (b) if there is a contested proxy solicitation; (c) if a shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or (d) as necessary to allow the Inspector of Election to resolve any dispute about the authenticity or accuracy of a proxy card, consent, ballot, authorization or vote and to allow the Inspector of Election to certify the results of the vote.

Householding

Shareholders who share the same last name and address may receive only one copy of the E-Proxy Notice unless we receive contrary instructions from any shareholder at that address. This is referred to as householding. If you prefer to receive multiple copies of the E-Proxy Notice at the same address, additional copies will be provided to you promptly upon written or oral request, and if you are receiving multiple copies of the E-Proxy Notice, you may request that you receive only one copy. Please address requests for a copy of the E-Proxy Notice to our Secretary, WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204 or telephone (800) 985-0999.

Additional Information

Our Board of Directors (the Board) has not received notice of any, and knows of no, matters other than those described in the attached Notice of Annual Meeting of Shareholders, which are to be brought before the

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annual meeting. If other matters properly come before the annual meeting, it is the intention of the persons named in the accompanying proxy card to vote such proxy in accordance with their judgment on such matters.

Shareholders may receive, without charge, a copy of our 2012 Annual Report on Form 10-K, including consolidated financial statements, as filed with the SEC (which is our Annual Report to Shareholders). Please address requests for a copy of our 2012 Annual Report on Form 10-K to our Secretary, WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Our 2012 Annual Report on Form 10-K is also available on our website under Investors Financial Information SEC Filings at www.wellpoint.com.

Annual Meeting Admission

You must have an admission ticket, as well as a form of government-issued photo identification, in order to be admitted to the annual meeting. If you are a shareholder of record and received an E-Proxy Notice, your E-Proxy Notice is your admission ticket. If you are a shareholder of record and received a printed copy of our proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the annual meeting. If you are a beneficial owner and your shares are held in the name of a broker, bank or other nominee, you must request an admission ticket in advance by mailing a request, along with proof of your ownership of our common stock as of the record date of March 15, 2013, to WellPoint Shareholder Services, 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Proof of ownership would be a bank or brokerage account statement in your name showing the number of shares of WellPoint stock held by you on the record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the record date.

If you wish to appoint a representative to attend the meeting in your place, you must provide the name of your representative, in addition to your E-Proxy Notice or the admission ticket portion of your proxy card if you are a shareholder of record, or your proof of ownership if you are a beneficial owner, and the address where the admission ticket should be sent. A shareholder may only appoint one representative. Requests from shareholders which are legal entities must be signed by an authorized officer or other person legally authorized to act on behalf of the legal entity.

Requests received after May 6, 2013 may not be able to be processed in time to allow you to receive your admission ticket before the meeting date so you should mail your request early.

No cameras, recording equipment, electronic devices, large bags, briefcases, signs or packages will be permitted in the annual meeting. Please note that due to security reasons, all bags may be subject to search, and all persons who attend the annual meeting may be required to pass through a metal detector or be subject to a hand wand search. We will be unable to admit anyone who does not comply with these security procedures. No one will be admitted to the meeting once the meeting has commenced.

Cost of Solicitation

We will bear the cost of the solicitation of proxies and have engaged Alliance Advisors, LLC to assist in the solicitation of proxies. Alliance Advisors, LLC will receive a fee of approximately $7,500 plus reasonable out-of-pocket expenses for this work. We also will reimburse banks, brokers or other custodians, nominees and fiduciaries for their expenses in forwarding the proxy materials to beneficial owners and seeking instruction with respect thereto. In addition, our directors, officers or other associates, without additional compensation, may solicit proxies from shareholders in person, or by telephone, facsimile transmission or other electronic means of communication.

Shareholder Proposals and Nominations for Next Year s Annual Meeting

Shareholder Proposal for Inclusion in Our Proxy Materials In order to submit a shareholder proposal for inclusion in our proxy statement for the 2014 annual meeting of shareholders pursuant to SEC Rule 14a-8, the

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proposal must be received by our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204, not later than December 3, 2013. Such proposals also will need to comply with the SEC regulations regarding the inclusion of shareholder proposals in our sponsored proxy materials if the shareholder would like the proposal to be so included.

Other Shareholder Proposals and Nominations Our By-Laws also establish an advance notice procedure relating to director nominations and shareholder proposals that are not submitted for inclusion in the proxy statement, but that the shareholder instead wishes to present directly at the annual meeting. To be properly brought before the 2014 annual meeting of shareholders, the shareholder must give timely written notice of the nomination or proposal to our Secretary along with the information required by our By-Laws. To be timely, a shareholder s notice must be delivered to our Secretary at the address listed above not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year s annual meeting. For the 2014 annual meeting of shareholders, such notice must be delivered no earlier than January 15, 2014 and no later than February 14, 2014. In the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The notice must contain specified information about each nominee or the proposed business and the shareholder making the nomination or proposal.

Copy of By-Law Provisions The specific requirements of these advance notice and eligibility provisions are set forth in Section 1.5 and Section 1.6 of our By-Laws. Our By-Laws are available on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents.

GOVERNANCE OF THE COMPANY

Our business is managed under the direction of the Board of Directors. The Board has responsibility for establishing broad corporate policies and for our overall performance. We believe that the only results worth achieving are those achieved with integrity and a commitment to excellence. Accordingly, we have long recognized the importance of and have always placed a high priority upon having good corporate governance measures in place.

Board Leadership Structure

The Board believes that it should have the flexibility to establish a leadership structure that works best for the Company at a particular time, and reviews that structure from time to time. Historically, the positions of our Chair of the Board and CEO have, at different times, been separately held by two people or combined and held by the same person. Currently, the roles of Chair and CEO are separate and the positions will remain separate for at least the next two years, subject to extraordinary circumstances. Any decision to change the structure in the future will be based on what the Board believes is the most effective and efficient structure for the Company, taking into account the experience and expertise of the CEO, the skills, experience and expertise of the Directors and the Company s circumstances and needs at that time.

The current Chair of the Board is Jackie M. Ward, and she has served in that role since August 2012. Our CEO is Joseph R. Swedish, who was also appointed by the Board to be a director, effective March 25, 2013, and is a nominee for election by our shareholders at this annual meeting. Given that Mr. Swedish has recently joined the Company, the Board believes that the current leadership structure allows Mr. Swedish to concentrate on overseeing the management of our business, while Ms. Ward oversees the functioning of the Board and our corporate governance. Upon Ms. Ward s retirement from the Board on May 15, 2013 due to our director age limit, Mr. George A. Schaefer, Jr. will become the independent Chairman of the Board.

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If the position of Chair and CEO are filled by the same person or if the Chair is not an independent Director, the independent Directors will elect a Lead Director, as required by our Corporate Governance Guidelines. The Lead Director presides at meetings of the Board and shareholders in the Chair s absence, presides at all meetings of the non-executive directors (which are scheduled at each in-person Board meeting), serves as a liaison between the Chair and the independent directors, approves information sent to the Board, approves Board schedules, has the authority to call additional meetings of the independent directors and is available for consultation and direct communication, if requested, with major shareholders. The Board of Directors also recognizes the important leadership roles played by the chairpersons of each of the committees of the Board. The Board evaluates its leadership structure from time to time and changes it as circumstances warrant.

Board Role in Risk Oversight

Our Board of Directors oversees the risk management processes that have been designed and are implemented by our executives to determine whether those processes are functioning as intended and are consistent with our business and strategy. The Board oversees our exposure to major enterprise risks and, with the assistance of the Audit Committee, oversees the processes by which we assess, monitor and manage our exposure to major risks. The Board reviews and approves certain risk tolerance levels and action plans regarding major risks. In addition to the responsibilities delegated to the Audit Committee, the Board delegates to the Board committees the responsibility for assisting in the oversight of categories of risk within their areas of responsibility. See also Compensation of Executive Officers Assessment of Compensation-Related Risks in this proxy statement for a description of the Compensation Committee s role in overseeing compensation-related risks. A description of the enterprise risks facing us is included in Item I, Part IA Risk Factors in our 2012 Annual Report on Form 10-K.

In addition to its oversight of certain risks as delegated by the Board of Directors, the Audit Committee is specifically tasked with the following as it relates to enterprise risk management activities:

- Review the appointment, promotion or dismissal of the Chief Risk Officer, who serves as the head of the internal enterprise risk management function;
- Review and discuss our enterprise risk management framework, processes and governance structure;
- Review and discuss our major financial risk exposures, and any other categories of risk delegated by the Board to the Audit Committee from time to time, and the steps management has taken to assess, monitor and manage such exposures; and
- Discuss the responsibilities, budget and staffing of our enterprise risk management function.

We have formed an Enterprise Risk Council and a Strategic Risk Forum to oversee our enterprise risk management activities. The Enterprise Risk Council is comprised of members of our executive leadership team and the Chief Risk Officer. Roles and responsibilities of the Enterprise Risk Council include:

- Drive an effective enterprise risk management culture;
- Continually evaluate and bring forward emerging risk insight;
- Review and approve risk tolerance levels (subject to Board review and approval where appropriate);
- Act on risk tolerance breaches;

Engage with the head of internal audit to ensure appropriate two-way communication regarding our enterprise risks;

Review the Master Audit Plan to ensure there is appropriate coverage of the highest risk areas;

Review and approve the evaluation and prioritization of enterprise risks;

Review and approve enterprise action plans against risks; and

Review, approve and support resource requirements (subject to Board review where appropriate).

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The Strategic Risk Forum is comprised of executives from across the Company who are directly accountable for their areas of responsibility and supports the Enterprise Risk Council. Each member of the Strategic Risk Forum is responsible for the following:

- Evaluate and recommend levels of risk tolerance;
- Identify, assess and categorize existing and emerging risks; and
- Evaluate risks by estimating and conducting risk assessments, including analyzing and understanding root causes of risks, developing management s action plan, and proposing accountabilities to the Chief Risk Officer.

The Chief Risk Officer provides quarterly updates of enterprise risk management activities conducted through the Enterprise Risk Council and Strategic Risk Forum to the Board of Directors and the Audit Committee, including separate executive sessions with the Audit Committee.

Policies on Corporate Governance

Over the past several years, we have enhanced our corporate governance practices in a number of meaningful ways, and we continually seek best practices to promote a high level of performance from the Board and management.

Among the practices we adhere to are the following:

- We review annually our corporate governance documents, including our Articles of Incorporation, By-Laws, Corporate Governance Guidelines and committee charters, for compliance with their terms and for enhancements to improve corporate governance;
- We have adopted majority voting for the election of directors in uncontested elections;
- We have eliminated all supermajority voting requirements in our Articles of Incorporation and have opted out of the Indiana Control Share Acquisitions Statute;
- Ten of our eleven current directors are independent under all applicable standards;
- Only independent directors serve on the Audit, Compensation and Governance Committees;
- Non-employee directors meet in executive session without management present at every in-person Board meeting;
- When the positions of the Chair of the Board and CEO are held by the same person, a Lead Director presides at the executive sessions of independent directors and performs various other duties; the Lead Director position, if any, is elected annually by the independent directors;
- The lead partner of our independent registered public accounting firm is rotated at least every five years;

The Board, and each committee of the Board, has the authority to engage consultants and advisors at our expense;

The Board, each standing committee and each director annually conduct evaluations of their performance (including director peer evaluations), and a third party governance expert reviews and reports on the evaluations;

The Board encourages directors to participate in continuing education programs and reimburses directors for the expenses of such participation;

The Board and our executive officers and associates are governed by our Standards of Ethical Business Conduct;

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- We have a recoupment policy to recover incentive compensation payments from our executive officers in the event of a restatement of our financial statements due to misconduct;

- We do not provide tax gross-ups on payments made in connection with a change in control or on perquisites, subject only to honoring contractual requirements when assuming agreements upon a merger or other business combination;

- We prohibit short sales, hedging transactions and pledges of Company stock by all associates, including Named Executive Officers; and

- We have significant stock ownership guidelines that align our executives interests with those of shareholders.

Current versions of our Articles of Incorporation, By-Laws, Corporate Governance Guidelines, Standards of Ethical Business Conduct, and the charter of each standing committee of the Board are available on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents.

We will continue to assess and refine our corporate governance practices and share them with you.

BOARD AND COMMITTEE MEMBERSHIP

As reflected in our Corporate Governance Guidelines, our business, property and affairs are managed under the direction of our Board. Members of our Board stay informed of our business through discussions with our CEO and other officers, by reviewing materials provided to them, by visiting our offices, by participating in meetings of the Board and its committees and through their own industry knowledge and inquiries.

Director Independence

Our Board has adopted standards to assist it in making determinations of independence and whether or not a director has a material relationship with us. These standards are available on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents. Our Board has determined that all of our directors, other than Mr. Swedish, meet these standards, have no material relationship with us and are independent as defined by the New York Stock Exchange (NYSE) listing standards and the SEC s rules.

Meetings and Committees of the Board

During 2012, the Board held sixteen meetings. The non-employee directors were given the opportunity to meet in executive session without management at all meetings. Our Board committees also conduct executive sessions that are presided over by the Chairperson of the respective committee. Each director attended at least 75% of the total meetings of the Board and each committee on which he or she served.

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There are five standing committees of the Board and the Board also formed a temporary CEO Search Committee, as described in more detail below. From time to time, the Board, in its discretion, may form other committees. The following table provides membership information for each of the Board standing committees as of March 1, 2013.

Directors	Executive Committee	Audit Committee	Compensation Committee	Governance Committee	Strategic Innovation Committee
Lenox D. Baker, Jr. M.D.			X		X
Susan B. Bayh				X	X
Sheila P. Burke				X	X
Robert L. Dixon, Jr.		X		X	
Julie A. Hill	X	X			Chair
Warren Y. Jobe		X			X
Ramiro G. Peru	X	X	Chair		
William J. Ryan			X	X	
George A. Schaefer, Jr.	X	Chair	X		
Jackie M. Ward*	Chair		X	Chair	

* Chair of the Board

Set forth below are the primary responsibilities of each of the standing committees as described more fully in their charters, which are available on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents. Also set forth below is a description of the work performed by the CEO Search Committee beginning in September 2012.

The Audit Committee

The Audit Committee represents and assists the Board in its oversight of our accounting, financial reporting and internal audit controls and procedures. In its oversight of our financial statements and the independent audit thereof, the Audit Committee is responsible for the selection, evaluation and, where deemed appropriate, replacement of the independent registered public accounting firm, and for the evaluation of the independence of the independent registered public accounting firm. The Audit Committee is also responsible for the oversight of our Compliance Program and Standards of Ethical Business Conduct, as well as assisting the Board in overseeing the processes by which we assess, monitor and manage our exposure to major risks. The Chief Compliance Officer facilitates our compliance program and reports independently to the Audit Committee. The Audit Committee regularly receives a detailed report from the Chief Compliance Officer regarding our compliance program activities. See Audit Committee Matters Audit Committee Report and Governance of the Company Board Role in Risk Oversight.

The Audit Committee met nine times during 2012. The Audit Committee met separately, generally at each in-person meeting, with executive management (including the General Counsel), the head of internal audit, the Chief Risk Officer, the Chief Compliance Officer and the independent registered public accounting firm during 2012. The Board has determined that each of the members of the Audit Committee is independent as defined by the rules of the SEC and the NYSE listing standards and that each of the members, except Mr. Dixon, is an audit committee financial expert as defined by the SEC s rules.

The Compensation Committee

The Compensation Committee assists the Board in discharging its responsibilities relating to compensation and benefits provided to our executive officers (which are to be determined by the Compensation Committee in its sole discretion) and other employees (except to the extent delegated by the Board to another committee of the Board), including conducting an assessment of the risks related to our compensation policies and practices. See Compensation of Executive Officers Assessment of Compensation-Related Risks. One of the duties and

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responsibilities of the Compensation Committee is to set the compensation level of our CEO and other executive officers based on an evaluation of the executive s performance in light of our goals and objectives. The Compensation Committee may take into consideration when setting the compensation levels of the executive officers (other than the CEO) any recommendations of the CEO with respect to the other executive officers.

In addition, the Compensation Committee has directly engaged an outside compensation consultant to assist in the evaluation of CEO and executive officer compensation, as authorized under its charter. The Compensation Committee engaged Semler Brossy Consulting Group, LLC (Semler Brossy) commencing in 2010 to provide executive compensation consulting services. Semler Brossy reports directly to the Compensation Committee, regularly participates in Committee meetings and advises the Committee with respect to compensation trends and best practices, plan design and the reasonableness of individual compensation awards. Semler Brossy does not provide any other services to the Company. The Compensation Committee has assessed the independence of Semler Brossy pursuant to, and based on the factors set forth in, the SEC s rules and concluded that no conflict of interest exists that would prevent Semler Brossy from independently representing the Compensation Committee.

The Compensation Committee met four times during 2012. All members of the Compensation Committee are outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), non-employee directors within the meaning of Section 16b-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act) and independent within the meaning of the NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

None of the Compensation Committee members is or has been an officer or employee of the Company or was involved in a relationship requiring disclosure as an interlocking director or under Item 404 of Regulation S-K.

The Governance Committee

The Governance Committee assists the Board in discharging its responsibilities relating to Board composition, director compensation and corporate governance by identifying and recommending individuals for nomination as members of the Board, recommending to the Board the overall director compensation policy and developing and recommending to the Board a set of corporate governance guidelines. The Governance Committee has directly engaged Compensation Advisory Partners, LLC (CAP), an outside compensation consultant, to assist in the evaluation of director compensation, as authorized under its charter. CAP reports directly to the Governance Committee. During 2012, CAP advised the Committee with respect to director compensation trends and best practices, plan design and the reasonableness of director compensation. The CAP consultants do not provide any other services to us. The Governance Committee has assessed the independence of CAP pursuant to, and based on the factors set forth in, the SEC s rules and concluded that no conflict of interest exists that would prevent CAP from independently representing the Governance Committee.

The Governance Committee met seven times during 2012. The Board has determined that each of the members of the Governance Committee is independent as defined by the NYSE listing standards.

Shareholder Recommendations

The policy of the Governance Committee is to consider properly submitted shareholder recommendations for candidates for membership on the Board as described below under Identifying and Evaluating Nominees for Directors. In evaluating such recommendations, the Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board and to address the membership criteria set forth under Director Qualifications. Any shareholder recommendations proposed for consideration by the Governance Committee must include the nominee s name and qualifications for Board membership and must be addressed to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Following verification of the shareholder status of persons proposing candidates, recommendations are aggregated and considered by the Governance Committee at a regularly scheduled meeting. If any materials are

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provided by shareholders in connection with the recommendation of a director candidate, such materials are forwarded to the Governance Committee.

For a description of the requirements regarding shareholder nominations and other proposals at annual meetings, see Shareholder Proposals and Nominations for Next Year s Annual Meeting.

Identifying and Evaluating Nominees for Directors

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Governance Committee assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Governance Committee considers, subject to the restrictions in our By-Laws, whether the vacancy should be filled and if so, various potential candidates for director. Candidates may come to the attention of the Governance Committee through current Board members, management, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the Governance Committee, and may be considered at any point during the year.

Director Qualifications

The Governance Committee periodically evaluates the size and composition of the Board to assess the skills and qualifications of Board members, and compares them with those skills and qualifications that might prove valuable in the future, considering the circumstances of the Company and the then-current Board membership. This assessment enables the Board to consider whether the skills and qualifications described below continue to be appropriate as the Company s needs evolve over time. On an ongoing basis, the Governance Committee, assisted by outside consultants, will look for candidates who possess qualifications that meet our strategic needs and have diverse experiences in key business, financial and other challenges that face a publicly held health benefits company. In general, all directors must exhibit integrity and accountability, informed judgment, financial literacy, mature confidence and high performance standards.

The candidates should be committed to enhancing shareholder value, should have sufficient time and energy to diligently perform their duties and should be able to provide insight and practical wisdom based on experience to represent the interests of all shareholders. The candidates should also have the manifest ability to work in a collegial and constructive manner with the other members of the Board. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform all director duties responsibly. The foregoing qualifications will be applied by the Governance Committee to all candidates, including candidates submitted by shareholders.

Our Corporate Governance Guidelines provide that our Governance Committee is to take into account the overall diversity of the Board when identifying possible nominees for director, including gender, race, age and geographic location. The Committee implements that policy, and assesses its effectiveness, by examining the diversity of all of the directors on the Board when it selects nominees for directors. Currently, the Board has four female directors, one African-American director and one Hispanic director. The directors range in age from early 50s to early 70s and reside in 9 different states and the District of Columbia. The diversity of directors is one of the factors that the Governance Committee considers, along with the other selection criteria described above.

Below we identify and describe a few of the important skills and experiences that the Governance Committee looks for in a director candidate. Each of our Directors specific skills and experiences, as determined in the annual evaluation of each Director, are included in their individual biographies. However, the fact that we do not list a particular skill or experience for a director does not mean that the director does not possess that particular skill or experience.

Management experience. Directors with significant management experience, especially current and former senior executive officers, provide practical understanding of how large organizations operate and have experience in strategic thinking and risk management. They also possess significant leadership qualities and are able to identify and develop such qualities in others.

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Insurance Industry experience. Directors with experience in the insurance industry bring an understanding of the unique nature of the business, including an understanding and appreciation of the regulatory requirements and restrictions with which they must comply. They can provide effective oversight of our regulatory compliance and risk management efforts.

Finance experience. Directors with an understanding of finance and financial reporting processes, particularly as they relate to large, complex, highly regulated businesses, provide an important oversight role of our financial measures and processes. We use several financial targets for measuring performance, and accurate financial reporting is critical to our success.

Health Care Industry experience. Directors with experience in the health care industry bring valuable insight into the activities and requirements of the providers of health care services and products that receive payments directly or indirectly from our insurance products. These directors bring knowledge of current system operations and experience with medical best practices that are valuable not only for current operations, but also for future strategic initiatives.

Communications, Multi-Media Networking and Public Relations experience. Directors with experience in these areas provide important skills and information to us as we deal with increased public disclosure requirements and media attention on health care and other public policy issues. They can assist us in focusing our communications to effectively present our positions.

Consumerism and Marketing experience. Directors with experience dealing with consumers, particularly in the areas of developing, marketing and selling products and services to consumers, provide significant direction and information to us as we identify changing market conditions and consumer trends and buying habits, because they understand consumer needs.

Technology and E-Commerce experience. Directors with an understanding of technology and e-commerce can help us focus our efforts in these important areas. They are able to provide oversight of our efforts to improve efficiency and productivity through the use of new technologies in providing our products and services.

Education experience. Directors with experience in higher education as faculty, frequent lecturers or directors bring in-depth knowledge about many areas that affect our overall business operations, including medicine, law, public policy and financial accounting. These resources are important to us in staying current in a rapidly changing economic and legal environment.

Government experience. Directors with government experience, whether as members of government or through extensive interactions with state or federal governmental agencies, are able to recognize, identify and understand the key issues facing us as a highly regulated entity.

Environmental, Social and Governance experience. Directors who have worked with non-profit entities or have led projects designed to benefit society bring to us an understanding of the need to conduct business without harm to society, which could in turn, harm our reputation and decrease our long-term sustainability. They are able to provide insights to assist us in achieving our mission of improving the lives of the people we serve and the health of our communities.

The Governance Committee, in recommending the nominees for election as directors and in concluding that the continuing directors should serve as directors, considered the items set forth above. The Governance Committee believes that each of the directors and nominees for directors possesses the judgment and integrity necessary to make independent decisions and a willingness to devote adequate time to Board duties. In addition, the Governance Committee believes that each of the directors and nominees for director brings his or her own particular experiences and set of skills, giving the Board, as a whole, competence and experience in a wide variety of areas. Additional biographical and other information concerning the qualifications, skills and experience of the directors and nominees for director can be found under Nominees for Director , Directors Continuing in Office and Director whose Term Expires at the Annual Meeting.

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The Strategic Innovation Committee

The Strategic Innovation Committee (formerly the Planning Committee) assists the Board in discharging its responsibilities related to various strategic issues, such as our long-term plans, mergers and acquisitions, emerging trends, corporate social responsibility and emerging technology. The Strategic Innovation Committee met eight times during 2012.

The Executive Committee

Between meetings of the Board, the Executive Committee has and may exercise the powers and authority of the full Board. The Executive Committee assists the Board in discharging its responsibilities related to an emergency and long-term succession plan for our CEO and executive officers. The Executive Committee met seven times during 2012.

The CEO Search Committee

Upon the departure of Angela F. Braly as Chair, President and CEO in August 2012, the Board formed a committee to conduct a search for a new CEO. The Committee consisted of the following directors: Sheila P. Burke, Julia A. Hill, Ramiro G. Peru (Co-Chair), William J. Ryan, George A. Schaefer, Jr. (Co-Chair) and Jackie M. Ward. After evaluating several proposals, the Committee selected SpencerStuart, an executive search firm, to assist it in finding, validating and interviewing candidates for the CEO position. On February 12, 2013, the Board of Directors announced that the CEO Search Committee had completed its assignment and that Joseph R. Swedish had been appointed the new CEO, effective March 25, 2013. On February 20, 2013, Mr. Swedish was appointed by the Board to serve as a director, effective March 25, 2013, and is a nominee for election by our shareholders at this annual meeting. Prior to this appointment, Mr. Swedish was the President and CEO of Trinity Health Corporation and served as a director of Coventry Health Care, Inc. Mr. Swedish has 40 years of experience in the health care industry, with more than 20 years of experience as a chief executive officer of large, complex health care organizations.

Communications with the Board

Individuals may communicate with the Board by submitting an e-mail to our Board at boardofdirectors@wellpoint.com. Communications that are intended specifically for non-management directors or any individual director should be sent to the e-mail address above to the attention of the Chair of the Board. Individuals may also communicate with the Board by submitting a letter to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204.

In addition, individuals may communicate with the Chairperson of the following committees by submitting an e-mail to:

Chairperson of the Audit Committee: auditchair@wellpoint.com

Chairperson of the Compensation Committee: compensationchair@wellpoint.com

Chairperson of the Governance Committee: governancechair@wellpoint.com

The process for collecting and organizing communications, as well as similar or related activities, has been approved by our independent directors. Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items which are unrelated to the duties and responsibilities of the Board should be excluded, such as spam, junk mail and mass mailings, medical claims inquiries, new product suggestions, resumes and other forms of job inquiries, surveys, and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any such unsuitable communication is made available to any non-management director upon request.

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Board Attendance at Annual Meeting of Shareholders

Our policy is that Board members are expected to attend each annual meeting of shareholders. With the exception of Mr. Dixon, who had a family emergency, all members of the Board then in office attended the 2012 annual meeting of shareholders.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

Policy

The Board has adopted a written policy and procedures for review, approval and monitoring of transactions involving us and related persons (directors and executive officers or shareholders owning five percent or greater of our outstanding common stock or their immediate family members). The policy covers any transaction in which we are a participant that involves amounts exceeding $120,000 in any calendar year and in which a related person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than ten percent beneficial owner of another entity).

Related person transactions must be approved or ratified by the Governance Committee of the Board. In considering the transaction, the Governance Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person s interest in the transaction. The policy includes several categories of standing pre-approved transactions, including, but not limited to, transactions involving competitive bids, certain banking-related services and certain transactions involving amounts not in excess of the greater of $1 million or 2% of the other company s total annual gross revenues. The Governance Committee periodically reviews and assesses on-going transactions to confirm that the transactions comply with the Governance Committee s guidelines and remain appropriate.

Current Transactions

There were no transactions in 2012, and none are currently proposed, in which we were or are a participant and the amount involved exceeded $120,000, and in which a related person had or will have a direct or indirect material interest. In the ordinary course of business, we may, from time to time, engage in transactions with other companies whose officers or directors are also our directors. Transactions with such companies are conducted on an arm s length basis, and in 2012, all of these transactions came within the pre-approval procedures of the Governance Committee consistent with the above policy.

STANDARDS OF ETHICAL BUSINESS CONDUCT

We have adopted Standards of Ethical Business Conduct (the Code) for our directors, executive officers and other associates. The purpose of the Code is to focus on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and integrity. The Code is posted on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents.

Everyone is required to act in accordance with the requirements of the Code. Waivers of the Code for any director, our Chief Executive Officer, our Chief Financial Officer and our other executive officers may only be made by the Board or by a Board committee composed of independent directors. Any such waiver and any amendment to the Code will be posted on our website at www.wellpoint.com under Investors Corporate Governance Governance & Corporate Documents and otherwise disclosed as required by law. During 2012, there were no waivers of the Code for any of our directors, our Chief Executive Officer, our Chief Financial Officer or any of our other executive officers.

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COMPENSATION OF NON-EMPLOYEE DIRECTORS

2012 Compensation to Non-Employee Directors[1]

Name	Fees Earned or Paid in Cash ($)[2]	Stock Awards ($)[3]	All Other Compensation ($)[4]	Total ($)
Lenox D. Baker, Jr., M.D.	$ 84,288	$ 174,962	$ 13,793	$ 273,043
Susan B. Bayh	$ 88,288	$ 174,962	$ 3,793	$ 267,043
Sheila P. Burke	$ 93,538	$ 174,962	$ 3,793	$ 272,293
Robert L. Dixon, Jr.	$ 89,288	$ 174,962	$ 9,167	$ 273,417
Julie A. Hill	$ 117,038	$ 174,962	$ 6,793	$ 298,793
Warren Y. Jobe	$ 93,038	$ 174,962	$ 13,793	$ 281,793
Ramiro G. Peru	$ 98,500	$ 174,962	$ 3,793	$ 277,255
William J. Ryan	$ 107,038	$ 174,962	$ 3,793	$ 285,793
George A. Schaefer, Jr.	$ 121,000	$ 174,962	$ 13,793	$ 309,755
Jackie M. Ward	$ 205,440[5]	$ 174,962	$ 13,793[5]	$ 394,195

(1) Employee directors do not receive any compensation for their service as a director. Ms. Braly s compensation for 2012 is shown in the Summary Compensation Table.

(2) In addition to annual Board and committee chairperson retainer fees and meeting fees, amounts include $37.94 paid in cash to each non-employee director, which represents cash payments in lieu of issuing fractional shares in connection with the annual grant of shares of our common stock received on the date of our annual meeting of shareholders.

(3) The amounts in this column reflect the grant date fair value of stock awards issued to each non-employee director during the year ended December 31, 2012, in accordance with Accounting Standards Codification Topic 718, Compensation Stock Compensation (ASC 718). During 2012, each non-employee director received 2,681 phantom shares of our common stock for the annual retainer grant of shares of our common stock on the date of our annual meeting of shareholders (May 16, 2012). The phantom shares will be converted into common stock upon the lapse of the deferral period. See also Board Equity Compensation and Stock Ownership Guidelines. The grant date fair value for the 2012 stock awards is calculated by multiplying the closing price of our common stock on the NYSE on the date of grant, which was $65.26, by the number of shares in the stock award. As of December 31, 2012, each non-employee director had the following number of phantom shares and deferred shares under our Board of Directors Deferred Compensation Plan (Board Deferred Compensation Plan) in the aggregate and stock options, respectively, for all years of service as a director: Lenox D. Baker, Jr., M.D.: 20,543 and 16,667; Susan B. Bayh: 20,543 and 0; Sheila P. Burke: 30,699 and 9,920; Robert L. Dixon, Jr.: 2,681 and 0; Julie A. Hill: 30,699 and 0; Warren Y. Jobe: 20,543 and 9,920; Ramiro G. Peru: 20,543 and 0; William J. Ryan: 20,543 and 20,000; George A. Schaefer, Jr.: 20,543 and 20,000; and Jackie M. Ward: 24,787 and 0. The phantom shares and deferred shares for each current director are included in the Security Ownership of Certain Beneficial Owners and Management table.

(4) Includes the matching charitable contributions made by the WellPoint Foundation on behalf of Dr. Baker, Messrs. Dixon, Jobe and Schaefer, and Mses. Hill and Ward. See Matching Gift Program. Also includes $3,793 in dividend equivalents paid on directors deferred shares that vested in 2012 for all directors except Mr. Dixon, who did not yet have any deferred shares. Mses. Burke and Hill deferred receipt of the dividend equivalent payment. This column does not include perquisites received by a director to the extent the amount of all perquisites received by such director was less than $10,000.

(5) All of Ms. Ward s 2012 compensation was deferred by her pursuant to the Board Deferred Compensation Plan, other than the $37.94 paid in cash in lieu of a fractional share, and the dividend equivalents paid on deferred shares that vested in 2012.

The compensation of our non-employee directors is paid in the form of an annual retainer, meeting and chairperson fees and stock-based awards. During 2012, each non-employee director received:

an annual cash retainer fee of $50,000, paid in advance in four equal quarterly installments;

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- an annual stock retainer fee of $175,000 as described under Board Equity Compensation and Stock Ownership Guidelines ;
- an additional annual cash retainer of $225,000 for the Chair of the Board if the position is held by a non-executive Director;
- an additional annual cash retainer of $15,000 for the chairperson of the Audit Committee and $10,000 for the chairperson of the other committees, paid in four equal quarterly installments;
- an additional annual cash retainer of $25,000 for the Lead Director, if any;
- a meeting fee of $2,000 cash for attendance at each Board meeting held in person and $1,000 cash for participation in each Board meeting held telephonically unless otherwise specified;
- a meeting fee of $2,000 cash for attendance at each Audit Committee meeting held in person and $1,000 cash for participation in each Audit Committee meeting held telephonically unless otherwise specified;
- a meeting fee of $1,500 cash for attendance at each other committee meeting held in person and $750 cash for participation in each other committee meeting held telephonically unless otherwise specified; and
- eligibility for an annual physical examination paid for by us.

In addition, all non-employee directors were reimbursed for expenses incurred in connection with attendance at and/or participation in any Board and committee meetings.

As an employee, Ms. Braly did not receive an additional retainer for her services as Chair of the Board.

WellPoint Board of Directors Deferred Compensation Plan

Cash fees paid to directors may be deferred under the Board Deferred Compensation Plan, which provides a method of deferring payment until a date selected by the director. Deferred cash fees accrue interest at a declared interest rate, which is determined on January 1 of each year and is the average of the 10-year U.S. Treasury Note monthly average rates for the 12-month period ending on September 30 of the previous year, plus 150 basis points, but not to exceed 120% of the applicable federal long-term rate, with compounding. Fees paid to non-employee directors in our common stock may also be deferred under the Board Deferred Compensation Plan, with the cash dividends accruing during the deferral period and paid in cash at the end of the deferral period. Fees paid in stock and deferred under the Board Deferred Compensation Plan are distributed in stock pursuant to their election under the plan.

Board Equity Compensation and Stock Ownership Guidelines

For 2012, each non-employee director received, subject to the deferral described below, an annual grant, on the date of our annual meeting of shareholders, of the number of shares of our common stock equal to $175,000, which is three and one-half times the annual Board cash retainer fee. In 2012, each then non-employee director received 2,681 shares based on the market price of $65.26 per share pursuant to this grant. Each annual grant of common stock is deferred for a minimum of five years from the date of grant. The shares of common stock, along with the cash dividends accrued thereon, will not be distributed until the earlier of the expiration of such deferral period or the date on which a director ceases to be a member of the Board.

In addition, each non-employee director has an obligation to own at least $400,000 of our common stock by no later than the fifth anniversary of the date such director became a member of the Board. Other than Mr. Dixon who joined the Board in 2011, each director owns stock in excess of the stock ownership requirements.

Matching Gift Program

Directors are eligible to participate in the WellPoint Foundation matching gift program. Under this program, the foundation matches 100% of charitable donations to qualified entities up to a maximum of $10,000 per year for each director.

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SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of our common stock beneficially owned as of January 31, 2013 by:

each of our directors in office as of such date,

each of our CEO, CFO and the three other most highly compensated executive officers during 2012 and any former executive officers required to be disclosed by SEC rules (collectively, the Named Executive Officers),

all directors and executive officers as a group in office as of such date, and

each person known by us to own beneficially more than five percent of our common stock.

Except as otherwise indicated below, each individual directly owns such shares of common stock and has sole investment and sole voting power. The table includes shares that may be purchased pursuant to stock options that are exercisable within 60 days of January 31, 2013 (currently exercisable options) and shares of common stock underlying restricted stock units that will vest within 60 days of January 31, 2013 (vested restricted stock units), unless otherwise noted.

Name	Position	Number of Shares Owned	Number of Shares Supplementally Owned[1]	Total Number of Shares Beneficially Owned	Percent of Class (if more than 1%)
Lenox D. Baker, Jr., M.D.	Director	82,055[2]	20,543	102,598	*
Susan B. Bayh	Director	0	20,543	20,543	*
Sheila P. Burke	Director	26,120[3]	30,699	56,819	*
Robert L. Dixon, Jr.	Director	0	2,681	2,681	*
Julie A. Hill	Director	0	30,699	30,699	*
Warren Y. Jobe	Director	17,654[4]	20,543	38,197	*
Ramiro G. Peru	Director	6,267	20,543	26,810	*
William J. Ryan	Director	33,498[5]	20,543	54,041	*
George A. Schaefer, Jr.	Director	27,806[6]	20,543	48,349	*
Jackie M. Ward	Chair of the Board	23,914[7]	24,787	48,701	*
John Cannon	Interim President and Chief Executive Officer	257,476[8]	64,589	322,065	
Wayne S. DeVeydt	Executive Vice President and Chief Financial Officer	348,970[9]	12,546	361,516	*
Kenneth R. Goulet	Executive Vice President, Commercial, Individual and Marketing	451,663[10]	12,092	463,755	*
Richard C. Zoretic	Executive Vice President, Medicaid Programs	2,060[11]	51,778	53,838	
Lori A. Beer	Executive Vice President, Specialty Business and Information Technology	287,840[12]	21,470	309,310	*
Angela F. Braly	Former Chair of the Board, President and Chief Executive Officer	1,801,329[13]	0	1,801,329	*

V. Rajamannar Madabhushi	Former Executive Vice President, Senior Business and Chief Transformation Officer	45,237(14)	0	45,237	
Barrow, Hanley, Mewhinney & Strauss, LLC 2200 Ross Avenue, 31st Floor Dallas, TX 75201(15)		18,129,324	N/A	18,129,324	6.0%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022(16)		16,142,086	N/A	16,142,086	5.3%
All directors and executive officers as a group (20 persons)		2,665,850(17)	400,537	3,066,388	*

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* Less than 1%

(1) For Named Executive Officers, this number represents shares of restricted stock that had not yet vested as of January 31, 2013. The Named Executive Officers have voting but not investment power over the shares of restricted stock shown as supplementally owned by them. For directors and other executive officers, this number represents unvested restricted stock, phantom shares and/or stock compensation deferred by the individual pursuant to our deferred compensation plans. The directors and executive officers do not have voting or investment power over the shares of our common stock that have been deferred or that are phantom shares.

(2) Includes currently exercisable options to purchase 16,667 shares of our common stock.

(3) Includes currently exercisable options to purchase 9,920 shares of our common stock.

(4) Includes currently exercisable options to purchase 9,920 shares of our common stock.

(5) Includes currently exercisable options to purchase 20,000 shares of our common stock.

(6) Includes currently exercisable options to purchase 20,000 shares of our common stock.

(7) Includes 108 shares owned by Ms. Ward s spouse.

(8) Includes currently exercisable options to purchase 183,913 shares of our common stock.

(9) Includes currently exercisable options to purchase 314,717 shares of our common stock.

(10) Includes currently exercisable options to purchase 394,139 shares of our common stock and 5,818 shares held in Mr. Goulet s 401(k) Plan account.

(11) Includes currently exercisable options to purchase 2,060 shares of our common stock.

(12) Includes currently exercisable options to purchase 213,044 shares of our common stock.

(13) Ms. Braly s ownership is as of August 28, 2012 and includes then exercisable options to purchase 1,317,853 shares of our common stock and 6,973 shares held in Ms. Braly s 401(k) Plan account.

(14) Mr. Madabhushi s ownership is as of September 19, 2012.

(15)

The amount shown and the following information were provided by Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow) pursuant to a Schedule 13G filed with the SEC on February 11, 2013 indicating beneficial ownership as of December 31, 2012. Barrow is a registered investment advisor that has (a) sole power to dispose of or direct the disposition with respect to 18,129,324 shares of our common stock; (b) sole power to vote or direct the vote of 5,542,092 shares of our common stock; and (c) shared power to vote or direct the vote of 12,587,232 shares of our common stock. Barrow reports that the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the common stock is held by certain clients of Barrow, none of which individually has such right or power with respect to five percent or more of the common stock.

(16) The amount shown and the following information were provided by BlackRock, Inc. (BlackRock) pursuant to a Schedule 13G/A filed with the SEC on February 11, 2013, indicating beneficial ownership as of December 31, 2012. BlackRock is a parent holding company or control person and has sole voting and dispositive power with respect to 16,142,086 shares. BlackRock reported that the following of its subsidiaries acquired the shares: BlackRock Japan Co. Ltd., BlackRock Advisors (UK) Limited, BlackRock Institutional Trust Company, N.A., BlackRock Fund Advisors, BlackRock Asset Management Canada Limited, BlackRock Asset Management Australia Limited, BlackRock Advisors, LLC, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock (Luxembourg) S.A., BlackRock (Netherlands) B.V., BlackRock (Singapore) Limited, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock Asset Management Ireland Limited, BlackRock International Limited, and BlackRock Investment Management (UK) Limited.

(17) Includes currently exercisable options to purchase 2,123,236 shares of our common stock.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board currently consists of 11 directors divided into three classes, with two classes containing four directors and one class containing three directors. This classified Board structure is one of the specific requirements imposed by the Blue Cross Blue Shield Association (BCBSA) in license agreements with all Blue Cross Blue Shield licensees, including us. The term of one class of directors expires each year. Generally, each director serves until the annual meeting of shareholders held in the year that is three years after such director s election and until such director s successor is elected and has qualified. In addition, directors are no longer eligible for election after reaching 72 years of age.

Three directors are to be elected at the annual meeting, each to hold office for a term to expire at the 2016 annual meeting of shareholders and until his or her successor is elected and qualified. It is the intention of the persons named in the accompanying form of proxy to vote such proxy for the election to the Board of Sheila P. Burke, George A. Schaefer, Jr. and Joseph R. Swedish. Each of the nominees for director is presently a director, has consented to being named as a nominee in this proxy statement and has indicated a willingness to serve if elected. However, if any such person is unable or unwilling to accept nomination or election, it is the intention of the persons named in the accompanying form of proxy to nominate such other person as director as they may in their discretion determine, in which event the shares will be voted for such other person. Each of the nominees for director, other than Mr. Swedish, was previously elected by our shareholders to serve on our Board. Ms. Jackie M. Ward, whose current term expires at this year s annual meeting, is retiring from the Board of Directors due to our director age limit.

The election of directors will be determined by the vote of a majority of the votes cast on such election, which means that the number of shares voted for a director nominee must exceed the number of shares voted against such nominee.

Recommendation

The Board of Directors recommends a vote FOR the election as directors of

Sheila P. Burke, George A. Schaefer, Jr. and Joseph R. Swedish

The biographies of each of the nominees and continuing directors contain information regarding the person s service as a director, business experience, director positions at publicly held corporations or investment companies registered under the Investment Company Act of 1940 held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Governance Committee and the Board to recommend each of the director nominees and to conclude that the continuing directors should serve as members of our Board. Unless otherwise indicated below, the principal occupation of each director or nominee has been the same for the last five years. There is no family relationship between any of our directors or executive officers. The ages listed below for each director or nominee are as of April 1, 2013.

NOMINEES FOR DIRECTOR

Three-year term to expire at the Annual Meeting of Shareholders in 2016

Sheila P. Burke, age 62, has been a director of the Company since November 2004. Ms. Burke served on the former board of directors of WellPoint Health Networks Inc. (WHN) from April 1997 until WHN s merger with us in November 2004. Ms. Burke is a faculty member at the John F. Kennedy School of Government at Harvard University and a member of the Harvard Interfaculty Program for Health Systems Improvement. Ms. Burke is also an adjunct faculty member of Georgetown University Public Policy Institute and a member of the Board of Visitors of the School of Nursing and Health Studies at Georgetown University. In addition, beginning in October 2009, she joined the law firm of Baker, Donelson, Bearman, Caldwell & Berkowitz as a

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senior policy advisor. Ms. Burke joined the Smithsonian Institution in July 2000 and was the Smithsonian Institution Deputy Secretary and Chief Operating Officer from 2004 through September 2007. Ms. Burke is a director of The Chubb Corporation (property and casualty insurance). She also serves on the board of The Bipartisan Policy Center, The Institute of Medicine of the National Academies, and previously served on the Presidential Advisory Board of the National Academy of Public Administration. Ms. Burke serves on the Board of the Association of American Medical Colleges and on the National Board of the American Cancer Society. She is a member of the Kaiser Commission on the Future of Medicaid and the Uninsured.

Ms. Burke brings management experience to the Board from her service as the Chief Operating Officer of the Smithsonian Institute. She also brings experience in the insurance industry from her service as a director of a large property and casualty insurance company. Ms. Burke also has health care industry and education experience, having served as a faculty member or board member at several universities, and on many commissions dealing with health and public policy issues. Ms. Burke also has a nursing degree. In addition, she has significant government and environmental, social and governance experience from her service as a senior member of the staff of the United States Senate from 1977 to 1996, including Chief of Staff to the Senate Majority Leader, and as a senior policy advisor to governmental and foundation commissions dealing with social issues, as well as from her current position at a law firm.

George A. Schaefer, Jr., age 67, has been a director of the Company since 2001 and a director of Anthem Insurance Companies, Inc. (Anthem Insurance) from 1995 to May 2003. He served as Chairman of the Board and Chief Executive Officer of Fifth Third Bancorp (banking) from 1990 to April 2007 and as Chairman of the Board until June 2008. He is also a director of Ashland, Inc. (petroleum and chemical business). He is a member of the Medical School Advisory Board at the University of Cincinnati, and a board member of the University of Cincinnati Healthcare System.

As the former President, CEO and Chairman of a large Midwest bank holding company, Mr. Schaefer brings extensive management and finance experience to the Board, as well as communications, multi-media networking and public relations, consumerism and marketing and technology and e-commerce experience from his involvement in retail marketing and product development for the financial institution. Also, he has health care industry experience through his service on the boards of several hospital systems and medical schools and education experience from his service on the boards of several colleges and universities. Further, Mr. Schaefer qualifies as an audit committee financial expert under the SEC s rules.

Joseph R. Swedish, age 61, has been a director since March 2013 when he was appointed our CEO. Prior to his appointment, Mr. Swedish served as President and CEO of Trinity Health Corporation (Trinity), a multi-state integrated health care delivery system which operates 47 hospitals in 10 states, since December 2004. Prior to his service at Trinity, Mr. Swedish was President and CEO of Centura Health (large health care provider) from 1999 to 2004. Mr. Swedish served as a member of the Board of Directors of Coventry Health Care, Inc. (national managed health care company) from 2010 to February 2013, Cross Country Health Care, Inc. (health care staffing company) from 2002 to 2005, RehabCare Group, Inc. (health care services company) from 2003 to 2005, and BankFirst (community bank) from 1995 to 1999. He also serves as Chair of the Catholic Health Association and on the Boards of Loyola University Chicago, The National Quality Forum and the Health Care Education Trust. Mr. Swedish also served in a variety of roles with the American Hospital Association.

Mr. Swedish brings significant management and health care industry experience to the Board from his chief executive positions with several health care systems and participation in numerous associations in the health care industry. He also has finance experience from his service as a bank director and education experience as a board member of a major university and an education trust.

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DIRECTORS CONTINUING IN OFFICE

Term expiring at the Annual Meeting of Shareholders in 2014

Robert L. Dixon, Jr., age 57, has been a director of the Company since July 2011. Mr. Dixon has been the Senior Vice President and Global Chief Information Officer of PepsiCo, Inc. since 2007. Prior to that position, Mr. Dixon held various positions with The Procter & Gamble Company (consumer products) since 1977, including Vice President of Global Services from 2005 until 2007. Mr. Dixon served on the President s Advisory Board of the Georgia Institute of Technology from 2003 until 2009 and currently serves on an Advisory Board for International Business Machines Corp.

Mr. Dixon has extensive management and technology and e-commerce experience through his senior positions in information technology for two large public companies. Further, those positions provided him with significant experience in consumerism and marketing due to the consumer product focus of both companies. Mr. Dixon also brings education experience to the Board with his position on a university s advisory board.

Warren Y. Jobe, age 72, has been a director of the Company since November 2004. Mr. Jobe served on the former board of directors of WHN from March 2001 until WHN s merger with us in November 2004. Mr. Jobe was elected a director of WHN upon completion of its merger with Cerulean Companies, Inc. (Cerulean) in 2001. Mr. Jobe served as a director of Cerulean and Blue Cross and Blue Shield of Georgia, Inc. from April 1999 to March 2001. Mr. Jobe was Senior Vice President of Southern Company responsible for Corporate Development from 1998 until 2001. During the period from 1975 to 1998, Mr. Jobe held various finance and accounting positions at Georgia Power Company, including Executive Vice President and Chief Financial Officer from 1982 to 1998. He was also a member of the Board of Directors of Georgia Power Company from 1982 to 1998. Mr. Jobe is a director of UNS Energy Corporation (an electric and gas utility holding company) and is a trustee of RidgeWorth Funds (mutual funds). He also is a member of the board of trustees of Oglethorpe University and a trustee for the Tull Charitable Foundation. Mr. Jobe is also a director of the Path Foundation and the Georgia Council on Substance Abuse. He was also a director of HomeBanc Corporation (residential mortgage company) until February 2009. He is a certified public accountant and a member of the American Institute of Certified Public Accountants.

Mr. Jobe has significant management and finance experience from his position as a chief financial officer for a public utility, as well as his board positions with a mortgage company and a mutual fund. He also has significant health care industry experience from his previous service on the boards of several health care organizations, and education experience as a board member of a university. Further, Mr. Jobe qualifies as an audit committee financial expert under the SEC s rules.

William J. Ryan, age 69, has been a director of the Company since 2001 and a director of Anthem Insurance from 2000 to May 2003. Mr. Ryan served as Chairman of the Board of the former Blue Cross Blue Shield of Maine until its acquisition by us in 2000. He served as Chairman of the Board and CEO of TD Banknorth Inc. (banking) from 1990 to March 2007 and as Chairman of the Board until March 2010. Mr. Ryan is the majority owner of the Maine Red Claws, an NBA Development League basketball team. He is a director of Unum Group (life, long-term care and supplemental insurance company) serving as Chair of the Board since September 2011, and served as a director of EFunds Corp. until June 2007. Mr. Ryan also serves as a trustee of the Libra Foundation and serves on the board of advisors at the University of New England.

Mr. Ryan has extensive management and finance experience through his position as CEO and Chairman of a large bank holding company. He also has communications, multi-media networking and public relations experience from his service with the bank holding company and as a director of a payment delivery systems company. Mr. Ryan also has insurance industry experience as a director of a life and disability insurance company. Mr. Ryan also brings education experience to the Board from his service on the boards of several colleges.

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Term expiring at the Annual Meeting of Shareholders in 2015

Lenox D. Baker, Jr., M.D., age 71, has been a director of the Company since 2002 and a director of Anthem Insurance from 2002 to May 2003. Dr. Baker had served on the former Trigon Healthcare, Inc. board of directors from 1985 until its merger with us in July 2002. He is a cardiac and thoracic surgeon, and was the President of Mid-Atlantic Cardiothoracic Surgeons, Ltd. from 2001 until his retirement in June 2010. He was a director of Surgivision, Inc. (medical technology company) from 1998 to 2011. Dr. Baker also started and ran a cardiac program for the U.S. Navy at the Portsmouth Naval Hospital from 2004 to 2010. Dr. Baker is a trustee of Johns Hopkins University and a member of the board of trustees of Johns Hopkins Medicine (which includes Johns Hopkins Hospital and Health System). Dr. Baker is also a member of the board of trustees of West Park Hospital in Wyoming since January 2013.

As a surgeon and former President of a cardiothoracic surgery practice, Dr. Baker has extensive management and health care industry experience. Dr. Baker also has government experience from his work with the U.S. Navy in starting a cardiac practice at a naval facility. In addition, Dr. Baker has technology experience through his positions with several medical device companies. He also brings education experience from his service as a faculty member and board member of several medical universities. Dr. Baker has also been involved in environmental initiatives and brings that experience to the Board.

Susan B. Bayh, age 53, has been a director of the Company since 2001 and a director of Anthem Insurance from 1998 to May 2003. Ms. Bayh was a Distinguished Visiting Professor in the Graduate School of Business at Butler University from 1994 until 1999. Ms. Bayh served on the Board of Trustees of Butler University from 2000 to 2004. She was a member of the International Joint Commission between the United States and Canada from 1994 to 2001. Prior thereto, she was a federal regulatory senior attorney for Eli Lilly and Company (pharmaceutical company) from 1989 to 1994. Ms. Bayh is a director of Dendreon Corporation (biotechnology), Curis, Inc. (biomedical) and Emmis Communications Corporation (media). She also served as a director of MDRNA, Inc. (pharmaceuticals) until January 2009, Novavax, Inc. (biotechnology) until 2007 and Dyax Corporation (biopharmaceutical company) until March 2012.

Ms. Bayh has significant health care industry experience as a director or employee of several pharmaceutical and biotechnology companies. She also brings governmental and environmental experience to the Board with her service as a Commissioner of the International Joint Commission between the U.S. and Canada overseeing environmental issues. Ms. Bayh also has educational experience from her service as a university faculty member and trustee and communications, multi-media networking and public relations experience from her service as a director of a large communications company.

Julie A. Hill, age 66, has been a director of the Company since November 2004. Ms. Hill served on the former WHN board of directors from March 1994 until WHN s merger with us in November 2004. Since December 2002, she has been the owner of The Hill Company (real estate company). From December 1998 to December 2002, Ms. Hill was the President and owner of Hiram-Hill Development Company (residential real estate development firm). Prior thereto, she was the Chairman, President and Chief Executive Officer of Costain Homes, Inc. (home builders) from 1988 to 1997. Ms. Hill is also a director of the Lord Abbett Family of Mutual Funds (mutual funds) and was a director of Lend Lease, Ltd. (international retail and residential property group) until November 2012. She serves on the Paul Merage School of Business Dean s Advisory Board, the University of California at Irvine Foundation Board, the Orange County Community Foundation Board, the University of California at Irvine Social Ecology School, Dean s Leadership Council, and the University of California at Irvine School of Medicine s Dean s Advisory Board. She also served as a director of Resources Connection (accounting) until November 2007 and Holcim (US) Inc. (concrete manufacturer and supplier) until November 2007.

Ms. Hill brings extensive management and finance experience to the Board gained through her ownership and management of several companies. She also has significant communications, multi-media networking and public relations and consumerism and marketing experience, having held several positions in sales, marketing, advertising and product development. In addition, Ms. Hill has education and environmental, social and governance experience through her many university board positions and service with groups promoting environmental, sustainability and other public policy issues. Further, Ms. Hill qualifies as an audit committee financial expert under the SEC s rules.

Ramiro G. Peru, age 57, has been a director of the Company since November 2004. Mr. Peru served on the former WHN board of directors from May 2003 until WHN s merger with us in November 2004. During the second half of 2007, Mr. Peru was Executive Vice President and Chief Financial Officer of Swift Corporation (transportation) and prior thereto was Executive Vice President and Chief Financial Officer of Phelps Dodge Corporation (mining and manufacturing) from 1999 to 2007 (Phelps Dodge). Mr. Peru joined Phelps Dodge in 1979 and held various finance and accounting positions with Phelps Dodge and its affiliates. Mr. Peru is also a director for UNS Energy Corporation (an electric and gas utility holding company) and served as a member of the Advisory Board of the Eller Graduate School of Management at the University of Arizona.

Mr. Peru brings significant finance and management experience to the Board as a former chief financial officer of two public companies. Mr. Peru s management positions also included technology experience as Senior Vice President at Phelps Dodge with responsibility for managing both information systems and technology and human resources. He also has education experience from his service as a board member at the University of Arizona. Further, Mr. Peru qualifies as an audit committee financial expert under the SEC s rules.

DIRECTOR WHOSE TERM EXPIRES AT THE ANNUAL MEETING

Jackie M. Ward, age 74, has been a director of the Company since 2002 and a director of Anthem Insurance from 2002 to May 2003. Ms. Ward served on the former Trigon Healthcare, Inc. board of directors from 1993 until its merger with us in July 2002. She was a founder and served as President, Chief Executive Officer and Chairman of Computer Generation Incorporated (software/hardware developer) (CGI) from 1970 to 2000. From 2000 to 2006, Ms. Ward served as the outside managing director of Intec Telecom Systems PLC (telecom software/hardware), which purchased CGI. Ms. Ward currently serves as a director of Flowers Foods, Inc. (manufacturing and distribution), Sanmina Corporation (electronics manufacturing services) and SYSCO Corporation (food distribution). Ms. Ward also served as a director of Bank of America Corporation (banking) until June 2009 and Equifax, Inc. (consumer financial information) until September 2008.

Ms. Ward has held numerous senior management and director positions with companies in the technology and e-commerce, finance and health care industries, and brings significant skills to the Board based on those experiences. Ms. Ward also has consumerism and marketing experience with several of these companies. In addition, she has implemented and overseen environmental, social and governance initiatives in her position as a director of various companies. Ms. Ward s experiences also include involvement with governmental contracts and agencies while in management positions at several companies, and education experience from serving as a board member of many higher education institutions.

PROPOSAL NO. 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

Appointment

The firm of Ernst & Young LLP served as our independent registered public accounting firm for the year ended December 31, 2012. The Audit Committee has selected Ernst & Young LLP to continue in that capacity for 2013 and is submitting this matter to shareholders for their ratification as a matter of good corporate

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governance. In the event this proposal is not approved, the Audit Committee will consider whether to select another independent registered public accounting firm for 2014. A representative of Ernst & Young LLP is expected to be present at the annual meeting, will be given an opportunity to make a statement if he or she desires and is expected to be available to respond to appropriate questions. Notwithstanding ratification by the shareholders, the Audit Committee reserves the right to replace our independent registered public accounting firm at any time.

Recommendation

The Board of Directors recommends a vote FOR

the ratification of the appointment of Ernst & Young LLP.

AUDIT COMMITTEE MATTERS

Independent Registered Public Accounting Firm s Fees

The following table presents fees billed for all professional services provided by Ernst & Young LLP for the audit of our consolidated financial statements for the years ended December 31, 2012 and 2011, and fees billed for other services rendered by Ernst & Young LLP during those periods.

Fee Category	Fiscal Year 2012	Fiscal Year 2011
Audit fees[(1)]	$ 9,855,000	$ 8,804,000
Audit-related fees[(2)]	$ 1,562,000	$ 1,484,000
Tax fees[(3)]	$ 411,000	$ 203,000
All other fees[(4)]	$ 15,000	$ 24,000

(1) Audit fees consisted principally of fees for audit work performed on our consolidated financial statements, the audit of the effectiveness of our internal control over financial reporting as of each respective year-end, review of quarterly financial statements, insurance statutory audits, other required audits, comfort letter procedures, review of registration statements and periodic reports filed with the SEC and other accounting and reporting consultation.

(2) Audit-related fees consisted principally of fees for reviews pursuant to Statement of Standards for Attestation Engagement No. 16, Examinations, employee benefit plan audits, due diligence and other audit-related services.

(3) Tax fees consisted principally of fees for tax compliance and tax advice.

(4) All other fees represent fees for advisory services related to certain corporate functions and accounting research tools.

The Audit Committee s Consideration of Independence of Independent Registered Public Accounting Firm

The Audit Committee has reviewed the nature of the non-audit services provided by Ernst & Young LLP and has concluded that these services are compatible with maintaining the firm s ability to serve as our independent registered public accounting firm.

Audit Committee Pre-Approval Policy

The Audit Committee of the Board has adopted a policy concerning the pre-approval of audit and non-audit services. Pursuant to this policy, unless a type of service to be provided by the independent registered public accounting firm was approved in connection with the audit engagement letter, such service must be pre-approved

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by the Audit Committee. In addition, the Audit Committee has delegated its authority to pre-approve to the Chairperson of the Audit Committee for engagements of up to $500,000. The Chairperson reports any pre-approval decisions to the Audit Committee at the next regularly scheduled meeting of the Audit Committee. Procedures have been established which require that all requests for pre-approval be submitted to the Audit Committee or Chairperson by the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer or other designated executive. All services performed by Ernst & Young LLP were approved by the Audit Committee and/or pursuant to the Audit Committee pre-approval policy.

Audit Committee Report

The Audit Committee of the Board is composed of the five members set forth below. The Board has determined that each current member of the Audit Committee is an independent director and that Ms. Hill and Messrs. Jobe, Peru and Schaefer are each an audit committee financial expert as defined by the SEC s rules. The Audit Committee operates under a written charter adopted by the Board which details the responsibilities of the Audit Committee.

The Audit Committee oversees the Company s financial reporting process on behalf of the Board. The Company s management is responsible for the Company s financial statements and reporting process, including the system of internal controls, and has represented to the Audit Committee that the Company s consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles. The independent registered public accounting firm is responsible for performing an independent audit of the Company s annual consolidated financial statements and expressing an opinion on the conformity of those audited consolidated financial statements with U.S. generally accepted accounting principles, as well as expressing an opinion on the effectiveness of the Company s internal control over financial reporting.

In fulfilling its responsibilities, the Audit Committee has reviewed and discussed the audited consolidated financial statements with the Company s management and the independent registered public accounting firm. This review included a discussion of the quality and acceptability of the Company s financial reporting and controls, including the clarity of disclosures in the consolidated financial statements. The Audit Committee reviewed, and discussed with management and the independent registered public accounting firm, management s report and the independent registered public accounting firm s report and audit of the Company s internal control over financial reporting.

The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the applicable rules of the Public Company Accounting Oversight Board (PCAOB) including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. In addition, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm its independence from the Company and its management.

The Audit Committee further discussed with the Company s internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets periodically with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their audits, their evaluations of the Company s internal control over financial reporting and the overall quality of the Company s financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee recommended, and the Board approved, the inclusion of the audited consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2012 as filed with the SEC.

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Audit Committee

George A. Schaefer, Jr., Chairperson

Robert L. Dixon, Jr.

Julie A. Hill

Warren Y. Jobe

Ramiro G. Peru

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act that may incorporate future filings (including this proxy statement, in whole or in part), the preceding Audit Committee Report and the Compensation Committee Report contained below in this proxy statement shall not be incorporated by reference in any such filings.

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EXECUTIVE OFFICERS OF THE COMPANY

Name	Age	Position
Joseph R. Swedish	61	Chief Executive Officer
Lori A. Beer	45	Executive Vice President, Specialty Business and Information Technology
Randal L. Brown	54	Executive Vice President and Chief Human Resources Officer
John Cannon	59	Executive Vice President, General Counsel and Chief Public Relations Officer
Wayne S. DeVeydt	43	Executive Vice President and Chief Financial Officer
John E. Gallina	53	Senior Vice President, Chief Accounting Officer, Controller, and Chief Risk Officer
Kenneth R. Goulet	53	Executive Vice President, Commercial, Individual and Marketing
Leeba Lessin	54	Executive Vice President, Medicare Programs
Gloria M. McCarthy	60	Executive Vice President, Enterprise Execution and Efficiency
Samuel R. Nussbaum, M.D	64	Executive Vice President, Clinical Health Policy and Chief Medical Officer
Richard C. Zoretic	54	Executive Vice President, Medicaid Programs

The ages and positions listed above for each executive officer are as of March 25, 2013.

The following is biographical information for our executive officers:

Joseph R. Swedish See the biographical information under Nominees for Director at page 20.

Lori A. Beer has served as our Executive Vice President of Specialty Business and Information Technology since October 2012. Prior to that appointment, she served as our Executive Vice President of Enterprise Business Services since October 2010 and as Executive Vice President and Chief Information Officer since May 2008. Ms. Beer has held various executive positions since joining us in 1998, including Chief Technology Officer from 2006 until May 2008. From 1989 to 1998, she held various positions with Convergys Corporation (relationship management firm).

Randal L. Brown has served as Executive Vice President and Chief Human Resources Officer since November 2006. Previously, Mr. Brown served as our Senior Vice President of Human Resources since 2001. Prior to joining us, Mr. Brown served in a variety of human resource leadership roles for Thomson Multimedia (video products and services) from 1982 to 2001.

John Cannon, our Executive Vice President, General Counsel and Chief Public Affairs Officer, served as our Interim President and Chief Executive Officer from August 2012 through March 2013. Prior to that appointment, he served as our Executive Vice President and General Counsel since December 2007 and he served as our Corporate Secretary from February 2009 to September 2012. Mr. Cannon assumed responsibility for the Public Affairs department in December 2010. Before joining us, Mr. Cannon spent 19 years with CIGNA Corporation in a variety of roles of increasing responsibility, including as senior vice president, deputy general counsel and head of Public Affairs. Prior to that, Mr. Cannon was associated with the law firm of Rawle and Henderson.

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Wayne S. DeVeydt has served as our Executive Vice President and Chief Financial Officer since June 2007. Previously, Mr. DeVeydt served as our Senior Vice President and Chief Accounting Officer since June 2005 and Chief of Staff from 2006 to 2007. Prior to joining us, Mr. DeVeydt served with PricewaterhouseCoopers LLP (public accounting firm) in many roles from 1996 to 2005, including as the lead engagement partner for a number of large, national managed care and insurance companies including WHN.

John E. Gallina has served as our Senior Vice President, Controller, Chief Accounting Officer and Chief Risk Officer since May 2011. Mr. Gallina has held numerous financial positions with us since 1994. Previously, Mr. Gallina served as Senior Vice President of Internal Audit and Continuous Improvement since March 2010, Senior Vice President, Finance since August 2008 and interim Chief Accounting Officer from April 2008 to September 2008. Also, he previously served as Chief Financial Officer of our Comprehensive Health Solutions Business Unit from January 2008 to January 2010. Prior thereto, Mr. Gallina served as Vice President, Corporate Financial Planning and Analysis from November 2000 to January 2008.

Kenneth R. Goulet has served as our Executive Vice President of Commercial, Individual and Marketing since October 2012 and prior to that as Executive Vice President, Employer, Medicaid, Individual and Specialty since March 2012. Prior to that date, he served as Executive Vice President, and President and CEO of the Commercial Business Unit since October 2007 and assumed interim responsibility for the Consumer Business Unit in February 2012. Prior to joining WellPoint, Mr. Goulet worked at Cigna Healthcare from June 1981 to June 2004. Mr. Goulet has more than 32 years of health insurance industry experience in management, sales, operations, strategy and plan execution.

Leeba Lessin has served as our Executive Vice President, Medicare Programs since November 2012, as Senior Vice President, Senior Businesses from September 2012 to November 2012 and as President and CEO, CareMore Medicare Programs since August 2011. Prior to our acquisition of CareMore Health Plan, Inc. (CareMore) in August 2011, Ms. Lessin served in various positions with CareMore, including President and Chief Executive Officer of CareMore from March 2006 to August 2011. Before joining CareMore in 2006, Ms. Lessin held several executive positions with PacificCare Health Systems and was a principal of Lessin Management Associates, a managed care strategic consultation service.

Gloria M. McCarthy has served as our Executive Vice President of Enterprise Execution and Efficiency since October 2012. Prior to that appointment, she served as Executive Vice President, Office of the CEO since February 2012, as Senior Vice President for Operational Excellence since June 2008, as Senior Vice President of Service Operations from December 2006 to June 2008 and as Senior Vice President and Chief Operating Officer of our East Region from December 2005 to December 2006. Prior to our acquisition of WellChoice, Inc. in December 2005, Ms. McCarthy served as Executive Vice President and Chief Operating Officer of WellChoice.

Samuel R. Nussbaum, M.D. has served as our Executive Vice President, Clinical Health Policy and Chief Medical Officer since 2001. Dr. Nussbaum became the Interim President of Comprehensive Health Solutions in October 2010 and served in that position until July 2011. Since 1997, Dr. Nussbaum has served as a Professor of Clinical Medicine at Washington University School of Medicine, St. Louis, Missouri and since 1998 as an Adjunct Professor at the Olin School of Business at Washington University. From 1996 to 2000, he served both as Executive Vice President for Medical Affairs and System Integration at BJC Health System of St. Louis (academic and community integrated health and hospital system) and as Chief Executive Officer of Health Partners of the Midwest (health plan).

Richard C. Zoretic has served as our Executive Vice President, Medicaid Programs since joining our company in December 2012 in connection with our acquisition of Amerigroup. Prior to joining us, Mr. Zoretic served as Executive Vice President and Chief Operating Officer of Amerigroup since September 2007. Mr. Zoretic joined Amerigroup in September 2003 and has over 30 years of experience in health care and insurance.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports of ownership with the SEC. Such persons also are required to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of copies of such forms received by us, or written representations from certain reporting persons, we believe that during 2012, our executive officers, directors, and greater than 10% shareholders complied with all applicable filing requirements relating to our common stock.

PROPOSAL NO. 3

ADVISORY VOTE TO

APPROVE THE COMPENSATION OF

OUR NAMED EXECUTIVE OFFICERS

Section 14A of the Exchange Act enables our shareholders to vote to approve, on an advisory (nonbinding) basis, the compensation of our Named Executive Officers (Say-on-Pay) as disclosed in this proxy statement in accordance with the SEC s compensation disclosure rules. At our annual meeting of shareholders held in May 2012, approximately 96% of the votes cast on the Say-on-Pay proposal at that meeting were voted in favor of the proposal. The Compensation Committee believes this affirms our shareholders support of our approach to executive compensation and no significant changes were made to this approach for 2012 as a result of the vote. The Board of Directors has considered the prior vote of the shareholders expressing a preference for an annual advisory vote on executive compensation and intends to hold an annual Say-on-Pay vote until the next advisory vote on frequency.

Our executive compensation program (the Total Rewards program) is designed to attract, engage, motivate and retain a talented team of executive officers and to appropriately reward those executive officers for their contribution to our business and our members. Our Total Rewards program emphasizes performance-based compensation in the form of our Annual Incentive Plan (AIP) and equity grant programs. In 2012, fixed compensation (salary and benefits) made up only a small percentage of target total compensation for our executives, with 10% for Ms. Braly as CEO (excluding one-time severance compensation), 16% for Mr. Cannon as Interim CEO, and an average of approximately 36% for the other continuing Named Executive Officers. The majority of the CEO and other Named Executive Officers compensation is variable based on both individual and overall Company performance. Our Total Rewards program contains specific annual, financial and strategic goals and the value of equity based awards will depend on our long-term stock price performance. Please read the Compensation Discussion and Analysis, along with the tables and narrative discussion, beginning on page 31 for additional details about our executive compensation program, including information about the fiscal year 2012 compensation of our Named Executive Officers.

We are asking our shareholders to indicate their support for our Named Executive Officers compensation as described in this proxy statement. This proposal gives our shareholders the opportunity to express their views on our Named Executive Officers compensation. This vote is not intended to approve any specific item of compensation but rather the overall compensation of our Named Executive Officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we recommend that our shareholders vote for the following resolution at the annual meeting:

RESOLVED, that the Company s shareholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company s Proxy Statement for the 2013 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the other related disclosures.

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The Say-on-Pay vote is advisory, and therefore not binding on the Company, our Compensation Committee or our Board of Directors. Our Board of Directors and our Compensation Committee value the opinions of our shareholders and to the extent that there is any significant vote against the Named Executive Officers compensation as disclosed in this proxy statement, we will consider our shareholders concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

Approval of the Say-on-Pay proposal requires that the votes cast for the proposal exceed the votes cast against the proposal.

Recommendation

The Board of Directors recommends a vote FOR approval

of the compensation of our Named Executive Officers.

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COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Executive Summary

Our Total Rewards compensation program is designed to attract, engage, motivate and retain a talented team of executive officers and to appropriately reward those executive officers for their contributions to our business, our members and our shareholders. We seek to accomplish this goal in a way that is closely aligned with the long-term interests of our shareholders and the expectations of our members. The Compensation Committee of our Board of Directors (the Committee) oversees our Total Rewards compensation program for our executive officers, including the persons identified in the Summary Compensation Table (the Named Executive Officers) and determines their compensation. This program emphasizes performance-based compensation based on both individual and Company performance results.

2012 Business Results

We believe that the pay-for-performance philosophy of our Total Rewards compensation program, described in more detail below, played an important role in our achieving the following financial and operational performance highlights in 2012:

- Our 2012 net income increased to $8.18 per share from $7.25 per share in 2011. As reported in our fourth quarter 2012 earnings announcement, our 2012 net income, adjusted for certain items increased by 8% to $7.56 per share from 2011 adjusted net income of $7.00 per share.

- Medical enrollment increased by approximately 1.9 million members for the year to approximately 36.1 million members at December 31, 2012.

- Beginning in the first quarter of 2012, the Board of Directors increased the quarterly cash dividend on our common stock by 15% to $0.2875 from $0.25 in 2011.

- In June 2012, we completed the acquisition of 1-800 CONTACTS, Inc. 1-800 CONTACTS is the largest direct-to-consumer retailer of contact lenses in the U.S., providing consumers with a convenient and affordable way to purchase contact lenses through its easy-to-remember, toll-free telephone number, 1-800 CONTACTS and its www.contacts.com web site; or glasses through its glasses.com web site. 1-800 CONTACTS served approximately 3.3 million customers during 2012.

- In December 2012, we completed the acquisition of AMERIGROUP Corporation (Amerigroup), one of the nation s leading managed care companies that is focused on meeting the health care needs of financially vulnerable Americans. We believe the acquisition advances our ability to more effectively and efficiently serve the growing Medicaid population, including the expanding dual eligible, seniors and persons with disabilities, and long-term services and support markets. By leveraging our combined clinical capabilities, resources and expertise, we believe that our competitive position in the Dual Eligible and Medicaid markets will be enhanced and will help create more value for state governments and their program beneficiaries.

- We continue to improve the health of our members through programs that encourage members to receive recommended prevention, screening, and wellness services as well as best practice treatment for chronic disease. Our care management programs identify individuals at high risk for disease complications and work with them to prevent complications, leading to fewer hospitalizations and emergency room visits. We also encourage increased safety, effectiveness and affordability of health care. For example, our quality hospital insights program, which improves the clinical effectiveness of hospital-based care, continues to expand and over 50% of our members receive care in hospitals that are participating in this program.

Despite these accomplishments, we did not meet our financial goals for the year. As a result, and as shown in the table below, our performance-based incentive compensation for 2012 was below target.

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2012 Compensation Actions

The table below summarizes the compensation actions taken related to the Named Executive Officers for 2012:

Named Executive Officer	**Salary Increase Percent**	**Target Annual Incentive Plan (AIP) Award Increase as Percent of Base Salary**	**Equity Awards (ASC Topic 718 Expense on Grant Dates)**	**2012 Earned AIP As a Percent of Target**	**2012 Earned Performance Share Units As a Percent of Target**
Mr. Cannon[(1)]	4.2%	+ 5%	$4,500,017	87.2%	83.0%
Mr. DeVeydt	3.6%	No change	$3,000,008	81.4%	83.0%
Mr. Goulet	3.6%	+ 5%	$3,000,008	81.1%	83.0%
Ms. Beer	8.3%	+ 10%	$2,000,007	82.4%	83.0%
Mr. Zoretic[(2)]	NA	NA	NA	NA	NA
Ms. Braly[(3)]	5.3%	+ 10%	$10,000,011	77.2%	30.0%
Mr. Madabhushi[(4)]	NA	NA	$ 4,700,156	0.0%	0.0%

(1) Mr. Cannon s salary increase percentage and target AIP award percentage of base salary were for his position as Executive Vice President, General Counsel, Corporate Secretary and Chief Public Affairs Officer. For the period from August 28, 2012 through March 24, 2013, when Mr. Cannon held the Interim CEO position, Mr. Cannon s annualized salary was adjusted from $625,000 to $1 million and his target AIP award was adjusted from 90% of salary paid to 110% of salary paid. $2.5 million of the equity award shown above was a special restricted stock unit grant, vesting over four years, that was additional compensation granted for this Interim CEO position. Additionally, in recognition of his performance as Interim CEO during 2012, on March 1, 2013, the Committee awarded Mr. Cannon a bonus of $500,000 and a $1.5 million special restricted stock unit grant, vesting over three years.

(2) Mr. Zoretic joined WellPoint on December 24, 2012 as part of the Amerigroup acquisition. He was not eligible for compensation increases, AIP, or equity awards at WellPoint during 2012. He received a cash payment of $4,321,792 in 2012, which was equal to the value on December 24, 2012 of an Amerigroup restricted stock grant from 2010 that was cancelled upon our payment to him upon completion of the Amerigroup acquisition.

(3) All of Ms. Braly s unvested equity awards were cancelled on December 31, 2012. This cancellation includes $7,166,670 of the $10,000,011 equity award value shown on this table. Pursuant to the applicable performance schedule, on December 10, 2012, 30.0% of Ms. Braly s performance share units were earned and vested. The remaining unearned and unvested performance share units are included in the $7,166,670 value that was cancelled.

(4) Mr. Madabhushi joined WellPoint in March 2012 and was not eligible for increases to salary or target AIP. Mr. Madabhushi ceased serving as an executive officer in September 2012. Pursuant to his separation agreement entered on September 19, 2012, he did not receive an AIP award for 2012 and all of Mr. Madabhushi s equity awards, with an ASC Topic 718 grant date fair value of $4,700,156 on April 2, 2012, were cancelled. Mr. Madabhushi s grant included a restricted stock unit grant with a grant date fair value of $2,700,025 as a new hire inducement covering the value of forfeited equity grants from his prior employer. Pursuant to his offer letter entered on March 1, 2012 and his separation agreement, he received a cash payment of $2,256,599 in lieu of the vesting of his inducement grant.

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Impact of Historical Business Results on Executive Compensation Decisions

Consistent with our pay-for-performance philosophy, and based on our financial and operational results in relation to our annual business plan, performance-based variable compensation has fluctuated over the years and was paid well below target during 2007 and 2008, near target in 2009, above target in 2010 and 2011, and below target in 2012 as follows:

Earned Performance-Based Awards as a Percent of Target from 2007 2012

Variable Compensation Component	2007	2008	2009	2010	2011	2012
AIP[(1)]	58.6%	5.0%	92.9%	163.0%	116.2%	77.2%
Performance-Based Equity Awards	66.4%	0.0%	94.4%	150.0%	150.0%	83.0%

(1) Average award level for all participants

Impact of Stock Price and Shareholder Returns on Executive Compensation

The compensation value received by our executives is highly dependent on shareholder returns.

A significant portion of our compensation opportunity for executive officers continues to be delivered in stock options. The stock option exercise price for each grant was 100% of the closing price of our common stock on the grant date.

Stock options only have intrinsic value when the current stock price is greater than the option exercise price. The following table shows the intrinsic value on December 31, 2012 of the regular stock option grants from 2005 through 2012. Where the intrinsic value is less than $0, the amount represented is the increase to our stock price needed before these stock options begin to have any intrinsic value.

Intrinsic Value of Stock Options based on the December 31, 2012 Closing Price of $60.92

	April 4, 2005	March 1, 2006	March 1, 2007	March 3, 2008	March 2, 2009	March 1, 2010	March 1, 2011	March 1, 2012
Option Exercise Price	$ 63.36	$ 76.59	$ 80.81	$ 70.80	$ 30.10	$ 62.06	$ 65.98	$ 66.23
Intrinsic Value[(1)]	($ 2.44)	($ 15.67)	($ 19.89)	($ 9.88)	$ 30.82	($ 1.14)	($ 5.06)	($ 5.31)
Stock Price Change	-4%	-20%	-25%	-14%	+102%	-2%	-8%	-8%

(1) Intrinsic value of stock options equals $60.92 minus the stock option grant price.

Performance share units and restricted stock units also represented a significant portion of the compensation opportunities for our executive officers in 2012. The value of these units is also impacted by changes in our stock price. The stock price change percentages shown above represent the change in value for those awards from the earned amount for performance share units and the grant date fair value for restricted stock units.

During 2011, we began paying quarterly cash dividends on our common stock. Cash dividends paid during 2011 totaled $1.00 per share, and cash dividends paid during 2012 totaled $1.15 per share. Performance share units and restricted stock units accrue cash dividend equivalents equal to the cash dividend per share amount and are paid to participants without interest upon vesting, but only if the underlying shares vest. We do not accrue or pay cash dividend equivalents on stock options.

Impact of Shareholder Advisory Votes on Executive Compensation Decisions

In May 2011, we held our first shareholder advisory vote on the compensation of our Named Executive Officers as disclosed in the 2011 proxy statement, commonly referred to as a say-on-pay vote. Our shareholders approved the proposal, with approximately 84% of shareholder votes cast in favor of the 2011 say-on-pay vote.

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At its meeting in September 2011, the Committee reviewed a presentation from our independent compensation consultant with respect to our Total Rewards program, shareholder say-on-pay voting results, and trends in executive compensation. The Committee determined that our Total Rewards program was fundamentally sound, supported the needs of our business, was aligned with the trends in the market, and as demonstrated by our say-on-pay voting results, was supported by our shareholders.

As a result, at its December 2011 meeting, the Committee decided to retain our 2011 executive compensation philosophy, components, component mix, performance metrics, and competitive positioning targets for 2012 compensation. The performance targets for our AIP awards and performance share units were updated to conform to our 2012 business plan. In 2012, base salaries, target AIP awards and long term equity award grant sizes were reviewed and adjusted to ensure appropriate competitive positioning.

In addition, when determining how often to hold a shareholder advisory vote on executive compensation, the Board took into account the strong preference for an annual vote expressed by our shareholders at our 2011 annual meeting. Accordingly, the Board determined that we will hold an annual advisory shareholder vote on the compensation of our Named Executive Officers until the next say-on-pay frequency vote, which will be held no later than our 2017 annual meeting.

In May 2012, we held the shareholder advisory say-on-pay vote on the compensation of our Named Executive Officers as disclosed in the 2012 proxy statement. Our shareholders approved the proposal, with approximately 96% of shareholder votes cast in favor of the 2012 say-on-pay vote.

At its meeting in September 2012, the Committee reviewed a presentation from our independent compensation consultant with respect to our Total Rewards program, shareholder say-on-pay voting results, and trends in executive compensation. The Committee again determined that our Total Rewards program is fundamentally sound, supports the needs of our business, is aligned with the trends in the market, and as again demonstrated by our say-on-pay voting results, is strongly supported by our shareholders.

As a result, at its December 2012 meeting, the Committee decided to retain our 2012 executive compensation philosophy, components, component mix, competitive positioning targets, and most of our 2012 performance metrics for 2013 compensation.

For the AIP, the Committee removed the small service excellence and member health metrics and added the 10% weighting previously assigned to those metrics to our business unit operating gain metric in order to strengthen the focus of our business leaders on the financial results of their business units. For our performance share unit grants, the Committee removed the selling, general and administrative expense per-member per-month (SG&A PMPM) metric, such that for the 2013 grants, 50% of each award will be based on EPS performance and 50% of each award will be based on membership performance.

The performance targets and scales for our AIP awards and performance share units were also updated to conform to our 2013 business plan. Additionally, the Committee increased the performance levels needed to reach threshold as a percent of plan and maximum as a percent of plan on the corporate and business unit operating gain scales used in the AIP and the EPS scale used for performance share units.

The Committee believes the changes that it made to the AIP and performance share unit programs further strengthen our focus on financial results and align with our business strategy in 2013.

Transition of Executive Leadership Team and Determination of 2012 Named Executive Officers

2012 was a year of transition for our executive leadership team. As a result of this transition, our Named Executive Officers for 2012 consisted of the following seven individuals:

Principal Executive Officer:

Angela F. Braly. Ms. Braly s service as our President and Chief Executive Officer and as Chair of our Board of Directors terminated on August 27, 2012 and her employment with WellPoint

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terminated on December 31, 2012. On August 28, 2012, Ms. Braly entered into a separation agreement with the Company, which provided for her to receive the severance compensation and benefits described in her employment agreement, and also provided that her stock options that were vested as of December 31, 2012 would continue to be exercisable until their original expiration dates, and that all unvested equity grants would be cancelled upon her termination on December 31, 2012.

On December 31, 2012, Ms. Braly held 102,436 vested stock options with an average exercise price of $30.1617 and an intrinsic value of $3,130,452 that will continue to be exercisable. The intrinsic value equaled the closing price on such date minus the average exercise price times the number of outstanding stock options with exercise prices below the closing price. Ms. Braly also held 1,335,975 vested stock options with exercise prices averaging $71.71, or $10.79 above the closing market price on December 31, 2012. These stock options had no intrinsic value on that date but will continue to be exercisable. Ms. Braly s vested stock option awards are detailed in the Outstanding Equity Awards at Fiscal Year-End table on page 60 in this proxy statement.

Ms. Braly also held 326,096 unvested stock options, 133,575 unvested restricted stock units and performance share units with an intrinsic value of $8,137,450 plus $206,658 in unvested dividend equivalents, all of which were cancelled. The intrinsic value equaled the closing price on December 31, 2012 times the number of unvested restricted stock units and performance share units that were cancelled.

Our equity plan agreements provide that upon an eligible retirement, unvested restricted stock unit awards, performance share unit awards, dividend equivalent payments and stock option awards generally continue to vest on their existing vesting schedule and stock options can continue to be exercised for the lesser of five years or until their original expiration dates. Since Ms. Braly met the service requirements but did not meet the age requirement for an eligible retirement to receive this equity treatment, the Committee accorded Ms. Braly the lesser benefit of continued exercisability of vested options. The Committee made this decision to afford Ms. Braly with the opportunity to realize some value for stock price gains after her termination in order to recognize that a portion of the Company s future success is based on her contributions during her tenure as our CEO. As consideration for this action, the time period for which Ms. Braly will be required to adhere to the restrictive covenants contained in her Employment Agreement, as described on page 72 in this proxy statement, was potentially lengthened. Absent this amendment, her restrictive covenant period would have ended on June 30, 2014. This was changed to be the later of June 30, 2014 or so long as she holds outstanding vested stock options, the last of which does not expire until March 1, 2019.

For a more detailed discussion of Ms. Braly s employment agreement, separation agreement and payments and benefits received related to her departure, see Compensation Plans Employment Agreements Angela F. Braly and Compensation of Executive Officers Potential Payments Upon Termination or Change in Control in this proxy statement.

John Cannon. Mr. Cannon served as our Executive Vice President, General Counsel, Corporate Secretary and Chief Public Affairs Officer until August 28, 2012, when he was appointed Interim President and Chief Executive Officer upon Ms. Braly s termination from the CEO role. In September 2012, the Committee approved increases to Mr. Cannon s base salary and target AIP compensation in recognition of his increased responsibilities, which increases were effective through March 24, 2013, as Joseph R. Swedish began serving as our Chief Executive Officer on March 25, 2013. In addition, on October 1, 2012, Mr. Cannon was granted 43,119 restricted stock units in recognition of his increased responsibilities, and on March 1, 2013, Mr. Cannon was awarded a bonus of $500,000 and an additional 24,241 restricted stock units to recognize his performance as CEO during 2012.

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Principal Financial Officer:

Wayne S. DeVeydt, Executive Vice President and Chief Financial Officer

Three Other Most Highly Compensated Executive Officers:

Lori A. Beer, Executive Vice President, Specialty Business and Information Technology

Kenneth R. Goulet, Executive Vice President, Commercial, Individual and Marketing

Richard C. Zoretic, Executive Vice President, Medicaid Programs. Mr. Zoretic joined the Company on December 24, 2012 upon the closing of the Amerigroup acquisition. During 2012, Mr. Zoretic was not eligible for a salary increase, was not eligible to participate in the AIP and did not receive any equity-based awards from the Company. Pursuant to the terms of his employment agreement with the Company, upon the closing of the Amerigroup acquisition, Mr. Zoretic received a cash payment of $4,321,792, which was equal to the value on December 24, 2012 of a restricted stock grant that he received in 2010 from Amerigroup, which grant was cancelled upon our cash payment to him upon completion of the Amerigroup acquisition. This restricted stock grant would otherwise have vested in 2013 and 2014 or earlier upon an involuntary or good reason termination. We also granted 41,038 restricted stock units to Mr. Zoretic on January 2, 2013, which vest after one year. These actions were taken to entice Mr. Zoretic to accept an executive officer position with the Company as the President of our Medicaid business and to enter into the employment agreement with the Company as described on page 73 in this proxy statement.

Former Executive Officer:

V. Rajamannar Madabhushi, Former Executive Vice President, Senior Business and Chief Transformation Officer. Mr. Madabhushi joined the Company in March 2012 and was eligible to participate in the AIP during 2012. In addition, on April 2, 2012 Mr. Madabhushi received a new hire inducement grant of 37,012 restricted stock units, with a value of $2,700,025, covering the value of the equity grants from his former employer that were forfeited upon his voluntary termination from his former employer. Mr. Madabhushi was terminated as an executive officer in September 2012, and under the terms of his separation agreement with the Company, Mr. Madabhushi agreed to forego any bonus payments under the AIP that he might otherwise be entitled to for 2012, and all of his equity grants that were unvested as of September 19, 2012 were cancelled and forfeited. Under the separation agreement, and as required pursuant to the terms of his offer of employment, due to Mr. Madabhushi s involuntary termination without cause, we paid Mr. Madabhushi cash in the amount of $2,256,599 based on the value of our common stock on January 2, 2013, and in lieu of the vesting of his inducement grant.

2013 Changes in Executive Leadership

The Board of Directors elected Joseph R. Swedish as CEO, effective March 25, 2013 and provided for the following compensation arrangements. Mr. Swedish will receive an annualized base salary of $1,250,000, an annual target incentive bonus opportunity of 150% of base salary, and a maximum bonus opportunity of 300% of base salary. Under the Company s Incentive Compensation Plan, on April 1, 2013, Mr. Swedish received equity incentive grants with a target value of $8,000,000, and a grant of restricted stock with a grant date fair value of $1,500,000 as an inducement for accepting the CEO position. On March 25, 2013, Mr. Swedish became a participant in our Executive Agreement Plan and Employment Agreement, as more fully described in this proxy statement under Compensation Plans Other Executive Severance Arrangements . Mr. Swedish will also receive a make whole payment to replace compensation forfeited upon accepting employment with us, estimated at approximately $3,561,000.

Throughout this Compensation Discussion and Analysis, we have included charts and tables explaining our compensation programs and decisions. Each such chart or table includes only those Named Executive Officers for whom the chart or table is applicable.

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The following portion of the Compensation Discussion and Analysis discusses in greater detail our objectives and approach to setting executive compensation, as well as the Committee s decisions for our Named Executive Officers in 2012.

Compensation Program Objectives

Our Total Rewards program is designed to:

Attract, engage, retain and appropriately reward executives for their contributions to our business, our members and our shareholders.

Closely align executive interests and rewards with the long-term interests of our shareholders and the expectations of our members.

Drive the achievement of our mission and strategy.

Deliver compensation that is commensurate with company and individual performance within the context of the external market.

These objectives are extended beyond the executive ranks to include all associates and are intended to promote our culture and enhance teamwork and perceptions of fairness. To achieve these objectives, the Total Rewards program is designed to reward our associates when they:

Create long-term value for our shareholders through sustained growth in our stock price.

Achieve our mission, to improve the lives of the people we serve and the health of our communities.

Meet or exceed our annual financial plans.

Prioritize our strategic objectives, which are:

(1) Affordability reduce cost to create the best health care value in our industry;

(2) Access provide convenient access to health care; and

(3) Consumer Experience create a differentiated health experience for consumers.

Operate within our core values, which are:

(1) Customer first;

(2) Integrity;

(3) Personal accountability for excellence;

(4) One company, one team; and

(5) Continuous improvement.

Pay for-Performance Philosophy and Pay Mix

To align executive interests and rewards with the long-term interests of our shareholders and drive the achievement of our mission and strategy, our Total Rewards program emphasizes performance-based compensation in the form of our AIP and equity grant programs.

A significant portion of the compensation of each of our Named Executive Officers is delivered through performance-based programs. As shown in the chart below, most of the total target compensation opportunity available to our Named Executive Officers is in the form of variable performance-based pay that is tied to our business results, including:

AIP awards, the value of which depends on the extent to which we meet or exceed metrics in our annual business plan.

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- Stock options, which are only valuable to the extent that the price of our stock increases.

- Performance share units that were earned in 2012 based on our 2012 EPS, membership and SG&A calculated on a per-member, per-month basis and become more or less valuable based on our stock price performance.

- Time-based restricted stock units, which encourage retention and become more or less valuable based on our stock price performance.

PRIMARY COMPONENTS OF TARGET COMPENSATION

(1) Annual and Long-Term Incentive percentages are based on achievement of targeted performance.

(2) Mr. Cannon s values include prorated compensation for time spent as the EVP, General Counsel, Secretary and Chief Public Affairs Officer and for time spent as the Interim CEO.

(3) Ms. Braly s values exclude amounts paid to her solely related to her termination.

Our executive compensation program has four available compensation levers to recognize and reward individual performance:

- Adjusting base salary to recognize both performance and changes in the scope of an executive s responsibilities;

- Setting an executive s AIP target as a percent of salary within a competitive target range;

- Adjusting the AIP award payout based on individual achievements and contributions; and

- Adjusting the size of stock option, restricted stock unit and performance share unit grants within a competitive range.

Additionally, individual performance is rewarded by providing executives with career growth through challenging assignments and, as positions become available, promotional opportunities.

Elements of Total Rewards

Overview

Our 2012 Total Rewards program for our business leaders, including the Named Executive Officers, includes the following financial elements:

- base salary;
- annual performance-based incentive awards under the AIP;
- equity awards in the form of performance share units, time-based restricted stock units and stock options;
- broad-based employee benefits; and
- executive benefits and perquisites.

Each year management sets the broad-based employee salary and benefits programs and budgets, and the Committee reviews and approves the merit salary increase budget, broad-based AIP, equity awards plan, perquisites and stock ownership guidelines. The Committee bases these decisions on our business needs, best practice information, competitive market data and operating budget constraints.

The Committee reviews the business and individual performance of each executive officer and sets (1) the AIP award payouts for the prior year pursuant to the formulas previously established, (2) prospective base salary adjustments, (3) prospective adjustments to target incentive award percentages of base salary and (4) the size and type of equity awards granted to each executive officer.

All Board members evaluate the CEO s individual performance on numerous factors, including: leadership, strategic planning, getting results, external and internal relations, and interaction with the Board of Directors. The Committee s 2012 compensation decisions were based on its evaluation of each executive s performance (including performance assessments by the CEO for the other executive officers), as well as our 2011 and 2012 achievements, all of which reflect the Named Executive Officers individual performance. There is no formulaic or target-based assessment for such adjustments, but rather such determinations are based on the Committee s subjective assessments after consideration of management recommendations, benchmarking information and advice of the Committee s independent compensation consultant. The assessments represent the Committee s view of how the Named Executive Officer s performance contributed to our performance and achievements, as well as other leadership accomplishments, including the challenges associated with implementing health care reform.

These decisions are made as part of a unified process so that all components of pay are reviewed in concert with each other, and, as appropriate, decisions about one component can affect decisions regarding the other components of pay. This is intended to ensure that the Total Rewards package for the Named Executive Officers fits with our compensation objectives as described above.

The Committee does not have a specific target for allocating the amount of compensation among the pay elements (base salary, annual incentive and equity grants), but seeks to apply a higher weighting to performance-based variable pay than to fixed pay. In addition, the Committee has weighted the equity grants more heavily toward performance share units than stock options or restricted stock units. Each Named Executive Officer s total compensation opportunity is targeted to the level the Committee considers market competitive and reflective of individual performance.

When setting compensation for 2012, the Committee reviewed prior year compensation and compensation actions to compare year-over-year pay actions relative to year-over-year performance and internal equity factors (how the compensation of the particular executive relates to the other executives).

In February 2012, the Committee reviewed comprehensive tally sheets for each Named Executive Officer covering up to five years of Total Rewards data and realized equity, in addition to then current levels of unrealized vested and unvested equity. Tally sheets are only one of a number of information resources and tools

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made available to the Committee for its reference and use. Although tally sheets provide good background information for the Committee, the Committee did not base any specific awards for 2012 or any modifications to our compensation program on them. The Committee reviewed historical realized pay for the CEO in comparison to realized pay amounts paid to CEOs among the direct peers as a component in assessing Ms. Braly s competitive position in 2012. The Committee has not otherwise taken into account realized compensation in setting future compensation. The Committee does review unvested compensation in setting future compensation to determine its likely impact on retention of our executives.

Base Salary

Base salary provides competitive annual compensation that reflects the scope and nature of job responsibilities of our Named Executive Officers. The Committee grants merit-based salary increases to our Named Executive Officers based on the Committee s assessment of an individual s performance, whether the current salary is competitive compared to the median of the market relative to executives in comparable positions at comparator group companies, and our overall merit increase budget for the year. The Committee also grants promotional salary increases to recognize increased job responsibilities. Our Named Executive Officers did not receive promotional salary increases in 2012. Mr. Cannon received a temporary salary increase for the period that he assumed the Interim CEO position.

Consistent with management s recommendations, the Named Executive Officers did not receive salary increases during 2011. After consideration of the factors above, shown in table below are the salary increases for the Named Executive Officers in 2012:

Named Executive Officer	Annualized Salary as of 12/31/2011	Annualized Salary as of 12/31/2012	Percent Change
Mr. Cannon[(1)]	$ 600,000	$ 625,000	