

Anthem, Inc.  
Form PRE 14A  
March 10, 2017

## SCHEDULE 14A INFORMATION

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

**(Amendment No. )**

Filed by the Registrant

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))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

**Anthem, 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):

No fee required.

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

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(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.:

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(4) Date Filed:

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**DATED MARCH 10, 2017**

# **2017 PROXY STATEMENT**

Annual Meeting of Shareholders

Indianapolis, IN

May 18, 2017

**About Anthem, Inc.**

Anthem is working to transform health care with trusted and caring solutions. Our health plan companies deliver quality products and services that give members access to the care they need. With over 73 million people served by our affiliated companies, including more than 40 million enrolled in our family of health plans, we are one of the nation's leading health benefits companies. We are an independent licensee of the Blue Cross and Blue Shield Association. We serve our members as the Blue Cross licensee for California; as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties, and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. We also conduct business through arrangements with other Blue Cross and Blue Shield licensees in South Carolina and Western New York. We also conduct business through our Amerigroup subsidiary in Florida, Georgia, Iowa, Kansas, Louisiana, Maryland, Nevada, New Jersey, New Mexico, New York, Tennessee, Texas and Washington. In addition, we conduct business through our Simply Healthcare subsidiary in Florida. We also serve customers throughout the country as HealthLink, UniCare (including a non-risk arrangement with Massachusetts), and in certain Arizona, California, Nevada and Virginia markets through our CareMore subsidiary. We are licensed to conduct insurance operations in all 50 states through our subsidiaries. To find out more about us, go to [antheminc.com](http://antheminc.com).

March 31, 2017

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2017 Annual Meeting of Shareholders of Anthem, Inc. The meeting will be held at the Conrad Indianapolis Hotel, 50 West Washington Street, Indianapolis, Indiana 46204 at 8:00 a.m., Eastern Daylight Time, on Thursday, May 18, 2017. 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/antm](http://www.envisionreports.com/antm). On or about March 31, 2017, 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 them a printed copy of this proxy statement and a proxy card. On the mailing date of the E-Proxy Notice, all shareholders of record and beneficial owners will have the ability to access all proxy materials at the website listed above. Our 2016 Annual Report on Form 10-K, which is our Annual Report to Shareholders, is being made available with the accompanying proxy statement.

If you are unable to attend the Annual Meeting, 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 Annual Meeting may vote in person, even if the shareholder 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 78. An admission ticket, which is required for admission to the Annual Meeting, will be mailed to you upon your request. Our Shareholder Services Department must receive your written request for an admission ticket on or before May 9, 2017 to ensure sufficient time for delivery to you.

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

Sincerely,

**Joseph R. Swedish**

Chair, President and Chief Executive Officer

## Notice of Annual Meeting of Shareholders of Anthem, Inc.

**Date and Time:** Thursday, **May 18, 2017** at 8:00 a.m. Eastern Daylight Time

**Location:** Conrad Indianapolis Hotel  
50 West Washington Street  
Indianapolis, Indiana 46204

**Items of Business:** To elect the two members of the Board of Directors identified in the accompanying proxy statement.

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2017.

To hold an advisory vote to approve the compensation of our named executive officers ( Say-on-Pay ).

To hold an advisory vote on the frequency of the Say-on-Pay vote.

To approve proposed amendments to our Articles of Incorporation to allow shareholders to amend our By-Laws.

To approve the 2017 Anthem Incentive Compensation Plan.

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 17, 2017.

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 (as described in the accompanying materials) through the Internet, by telephone or, if you received a printed copy of the proxy card by mail, by signing, dating and mailing the proxy card in the envelope provided.

By Order of the Board of Directors,

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**Kathleen S. Kiefer**

Corporate Secretary

Scan this QR code to  
vote with your  
smartphone or go to

[www.envisionreports.com/antm](http://www.envisionreports.com/antm)

**You can vote in one of four ways:**

Visit the website listed on your notice of meeting or proxy card to vote **VIA THE INTERNET**

Call the telephone number on your proxy card to vote **BY TELEPHONE**

If you received printed proxy materials, sign, date and return your proxy card in the envelope provided to vote **BY MAIL**

Attend the Annual Meeting to vote **IN PERSON**



## 2017 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 2016 Annual Report on Form 10-K.*

### Annual Meeting of Shareholders

Thursday, May 18, 2017 at 8:00 a.m., EDT

Record Date: March 17, 2017

Conrad Indianapolis Hotel

50 West Washington Street

Indianapolis, Indiana 46204

### Proposals to be Voted on and Board Voting Recommendations

Proposals	Recommendations
Election of the following persons as directors:	FOR EACH NOMINEE
R. Kerry Clark	FOR
Robert L. Dixon, Jr.	FOR
Ratification of Ernst & Young LLP as Auditors for 2017	FOR
Advisory vote to approve the compensation of our Named Executive Officers ( Say-on-Pay )	FOR
Advisory vote on the frequency of the Say-on-Pay vote	FOR ONE YEAR OPTION
Approval of proposed amendments to our Articles of Incorporation to allow shareholders to amend our By-Laws	FOR
Approval of the 2017 Anthem Incentive Compensation Plan	FOR

### 2016 Business Highlights

\* Please refer to the GAAP Reconciliation table on page C-1 for information on Adjusted Net Income Per Share ( Adjusted EPS ).  
Other highlights include:

Operating cash flow was approximately \$3.2 billion or 1.3 times net income for 2016.  
Our closing stock price increased by 3.1% from \$139.44 on December 31, 2015 to \$143.77 on December 30, 2016. Additionally, the Company paid cash dividends totaling \$2.60 per share in 2016.  
Our strong performance is reflected in the compensation that our Named Executive Officers earned for 2016.



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## 2017 Proxy Statement Summary (continued)

### Compensation Highlights

To align the interests and rewards of our Named Executive Officers ( NEOs ) with the long-term interests of our shareholders and drive the achievement of our purpose and vision, while operating within our values and behaviors, our Total Rewards program emphasizes performance-based compensation in the form of our Annual Incentive Plan ( AIP ) and equity grant programs under our Incentive Compensation Plan ( Incentive Plan or LTIP ).

For 2016, the Compensation Committee implemented a balanced scorecard for the AIP for the NEOs and other members of the executive leadership team, with an 85% weighting for Adjusted Net Income Per Share ( Adjusted EPS ) and 5% weightings for measures related to each of our three strategic pillars, namely, consumer centricity, provider collaboration and clinical performance.

Adjusted EPS was selected because it demonstrates whether the top-line growth was profitable and is a primary measure considered by many of our shareholders in assessing our ongoing performance. In addition, earnings-based measures are the most prevalent performance measure used by our direct peers.

Both the AIP and our performance stock units granted under the Incentive Plan use Adjusted EPS as a performance measure, which is calculated on an adjusted, non-GAAP basis to remove certain pre-established categorical amounts, which are reported in our quarterly earnings releases and would generally not be included by the investment community in the determination of our financial results. All adjustments are reviewed and approved by the Compensation Committee.

#### Primary Components of 2016 Target Compensation

*(Data for Other NEOs is an Average for NEOs Employed as of December 31, 2016)*

AIP and LTIP percentages are based on achievement of an award equal to 100% of target.

### Corporate Governance

Our corporate governance policies reflect our commitment to effective corporate governance and high ethical standards:

Majority voting for uncontested director elections.

Proxy access for shareholder-nominated director nominees.

Eight of our nine current directors are independent and only independent directors serve on the Audit, Compensation and Governance Committees.

We have an independent Lead Director.

Board oversees succession planning for our President and CEO and our other executive officers, addressing both emergency and long-term succession.

Executive sessions of the independent directors are held at each in-person board meeting.

Short sales, hedging transactions and pledging our stock are prohibited for all directors, officers and associates.

Significant stock ownership requirements are in place for directors and executive officers.

Our clawback policy applies to executive officers' incentive compensation in the event of a restatement of our financial statements due to misconduct.

Board, Committee and Director Peer performance evaluations are conducted annually, including an evaluation led by an external party at least every three years.

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Individuals cannot stand for election as directors if 72 years of age or older.

Directors cannot serve on more than three other public company boards, and the CEO cannot serve on more than two other public company boards.

Our annual report on Political Contributions and Related Activities is available on our website at [www.antheminc.com](http://www.antheminc.com) under About Anthem, Inc. Public Affairs Political Contributions.

## 2017 Proxy Statement Summary (continued)

**Director Qualifications and Experience**

The following chart provides summary information about our directors' skills and experiences. More detailed information is provided under the description of the Governance Committee beginning on page 6 and in each director's biography beginning on page 16.

Directors	Insurance		Health Care		Marketing/ Public Relations		Regulatory/ Government		ESG	Diversity
	CEO/COO	Industry	Finance	Industry	Technology	Government	ESG	Diversity		
R. Kerry Clark	Ö			Ö	Ö					
Robert L. Dixon, Jr.					Ö					Ö
Lewis Hay, III	Ö		Ö		Ö		Ö	Ö		
Julie A. Hill	Ö		Ö	Ö	Ö				Ö	Ö
Ramiro G. Peru				Ö			Ö			Ö
William J. Ryan	Ö	Ö	Ö		Ö					
George A. Schaefer, Jr.	Ö		Ö	Ö	Ö		Ö			
Joseph R. Swedish	Ö	Ö	Ö	Ö			Ö	Ö	Ö	
Elizabeth E. Tallett	Ö	Ö	Ö	Ö	Ö		Ö	Ö	Ö	Ö

**Shareholder Engagement**

We believe that building positive relationships with our shareholders is critical to our long-term success. For this reason, we spend significant time meeting with our shareholders, listening to their concerns and responding to their feedback. Over the past year, management engaged with our largest shareholders, representing in aggregate approximately 50% of our outstanding shares, on our corporate governance practices, including follow-up on the proxy access right adopted by the Board in early 2016. In addition, our management team regularly offers shareholders the opportunity to discuss our quarterly results and other topics of interest to shareholders. We value our relationship with our shareholders and believe that we strengthen our ability to lead the Company by constructively discussing our business and strategy.

We were pleased that our shareholders overwhelmingly approved the non-binding advisory vote on our executive compensation in 2016, as approximately 97% of votes cast were voted in favor of the proposal. Nevertheless, we continue to examine our executive compensation program to assure alignment between the interests of our executive officers and our shareholders.

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