

WELLPOINT, INC
Form PRE 14A
March 18, 2011
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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

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

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):

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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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 1, 2011

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2011 Annual Meeting of Shareholders of WellPoint, Inc. (the Company). The meeting will be held at the Hilton Hotel at 120 West Market Street, Indianapolis, Indiana, at 8:00 a.m., Eastern Daylight Time, on Tuesday, May 17, 2011. 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 1, 2011, 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 on a website referred to in the E-Proxy Notice and this proxy statement.

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.

If you plan to attend the Annual Meeting and are a registered shareholder, please bring the E-Proxy Notice, or if you received a printed copy of the proxy materials, the admission ticket portion of your proxy card, sent to you. If your shares are registered in the name of a bank or your broker, please obtain a legal proxy from your bank or broker and bring it with you to the Annual Meeting.

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

Sincerely,

ANGELA F. BRALY

Chair of the Board, President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF WELLPOINT, INC.

TO BE HELD MAY 17, 2011

TIME AND DATE

8:00 a.m., Eastern Daylight Time, on Tuesday, May 17, 2011

PLACE

120 West Market Street

Hilton Hotel

Indianapolis, Indiana 46204

ITEMS OF BUSINESS

- (1) To elect the four members of the Board of Directors identified in the proxy statement for three-year terms.
- (2) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.
- (3) To approve proposed amendments to our Articles of Incorporation.
- (4) To provide an advisory vote on the compensation of our named executive officers.
- (5) To provide an advisory vote on the frequency of an advisory vote on the compensation of our named executive officers.
- (6) If properly presented at the meeting, to vote on the shareholder proposals set forth on pages 71 through 78 in the accompanying proxy statement.
- (7) To transact such other business as may properly come before the annual meeting and any adjournment or postponement.

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RECORD DATE

You can vote if you are a shareholder of record on March 17, 2011.

ANNUAL REPORT

Our 2010 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

John Cannon
Secretary

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WELLPOINT, INC.

120 Monument Circle

Indianapolis, Indiana 46204

PROXY STATEMENT

Annual Meeting of Shareholders

May 17, 2011

Purpose

This proxy statement is being made available to shareholders on or about April 1, 2011 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, Tuesday, May 17, 2011, at the Hilton Hotel at 120 West Market 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 2010 Annual Report on Form 10-K as well as how to submit your proxy through the Internet. On or about April 1, 2011, 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 1, 2011, 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 U.S., Canada or Puerto Rico or at 781-575-2300 from outside the U.S., 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 17, 2011, the record date for the annual meeting, there were 370,694,172 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.

If your shares of our common stock are held in street name, and you do not provide your broker with voting instructions, your broker may or may not have the discretion to vote your shares of common stock for or against

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the proposal, as indicated in the chart below. If your broker does not have discretion to vote your common stock without your instructions, this is referred to as a broker non-vote .

Each proposal at the annual meeting will be approved only if the proposal receives the vote required as set forth below.

VOTE REQUIRED

Proposal #	Proposal	Vote Required	Impact of Abstentions and Broker Non-Votes, if any	
			No Effect	Vote Against
1. ⁽¹⁾	Election of four directors	More votes for than against	Ö	
2.	Ratification of the appointment of Ernst & Young	More votes for than against	Ö	
3.	Amendments to Articles of Incorporation:			
(a)	Removing supermajority voting requirements for restrictions on ownership and transfer of stock, voting rights of shares and number of directors	For votes by at least 75% of the votes entitled to be cast by the holders of outstanding shares		Ö
(b)	Removing supermajority voting requirements for removal of directors and for certain business combinations and other supermajority provisions	More votes for than against	Ö	
(c)	Removing certain restrictions on ownership of shares	More votes for than against	Ö	
(d)	Deleting certain obsolete provisions	For votes by at least 75% of the votes entitled to be cast by the holders of outstanding shares		Ö
(e)	Deleting other obsolete provisions and make conforming changes	More votes for than against	Ö	
4. ⁽¹⁾	Advisory vote on compensation of our Named Executive Officers	More votes for than against	Ö	
5. ⁽¹⁾	Advisory vote on the frequency of an advisory vote on the compensation of our Named Executive Officers	More votes for than against ⁽²⁾	Ö	
6. ⁽¹⁾	Shareholder proposal: feasibility study for converting to nonprofit status	More votes for than against	Ö	
7. ⁽¹⁾	Shareholder proposal: change jurisdiction of incorporation from Indiana to Delaware	More votes for than against	Ö	
8. ⁽¹⁾		More votes for than against	Ö	

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Shareholder proposal: separation of Chair and
CEO Positions

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- (1) Failure to give instructions to your broker will result in a broker non-vote on this item.
- (2) This is the voting standard under Indiana law. However, the Board will consider the frequency receiving the most votes as representing our shareholders preference on how frequently to hold shareholder votes on executive compensation.

Shareholders

Shares of our common stock may be held directly in your own name or may be held through a stockbroker, 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 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 15, 2011 at 12:00 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 15, 2011 at 12:00 p.m., Eastern Daylight Time, by filing with the trustee either written notice of revocation or a properly completed and signed proxy 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 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 16, 2011. **If you vote through the Internet, you do not need to return a proxy card.**

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

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instruction card, available when voting by telephone. In order to obtain a proxy card, please follow the instructions on the E-Proxy Notice. If you want to vote by telephone, you must do so before 11:59 p.m., Eastern Daylight Time, on May 16, 2011. **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 2011,

FOR the approval of each of the amendments to the Articles of Incorporation,

FOR the approval of the compensation of our named executive officers,

FOR the ONE (1) YEAR option on the frequency of the advisory vote on compensation of our named executive officers,

AGAINST the shareholder proposal concerning a feasibility study for conversion to nonprofit status,

AGAINST the shareholder proposal concerning changing our jurisdiction of incorporation from Indiana to Delaware, and

AGAINST the shareholder proposal to separate the Chair and CEO positions.

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 you will be given the opportunity to revoke your proxy and vote in person.

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 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.

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Shareholders may receive, without charge, a copy of our 2010 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 2010 Annual Report on Form 10-K to our Secretary, WellPoint, Inc.,

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120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Our 2010 Annual Report on Form 10-K is also available on our website under [Investor Info](#) [Financial Information](#) [SEC Filings](#) at www.wellpoint.com.

Shareholder Proposals and Nominations for Next Year's Annual Meeting

In order to be considered at the 2012 annual meeting of shareholders, any shareholder wishing to make a proposal or nominate a candidate for election as a director must comply with the advance notice and eligibility requirements contained in our by-laws.

Shareholder Proposal Our by-laws provide that for business to be properly brought before an annual meeting by a shareholder, the shareholder must have the legal right and authority to make the proposal for consideration at the meeting and the shareholder must give timely written notice thereof to our Secretary with the information required by our by-laws. 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.

Nomination of Candidate for Election as Director Our by-laws provide that a shareholder may nominate a person for election to our Board, provided the shareholder is entitled to vote for the election of directors at the meeting and has given timely written notice of the nomination to our Secretary along with the information required by our by-laws.

Timely Notice In order for a shareholder proposal to be considered for inclusion in our proxy statement for the 2012 annual meeting of shareholders, in accordance with SEC rules and regulations, the proposal must be received by us by December 3, 2011. In order to be timely raised at the 2012 annual meeting of shareholders but not included in our proxy statement for such meeting, a shareholder's notice must be delivered to our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. 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 the Corporate Governance tab.

Annual Meeting Admission

Either an admission ticket or proof of ownership of our common stock, as well as a form of personal identification, must be presented 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 bring a brokerage statement or other proof of ownership with you to the annual meeting, or you may request an admission ticket in advance by mailing a request, along with proof of your ownership of our common stock, to WellPoint Shareholder Services, 120 Monument Circle, Mail No. IN0102-B323, Indianapolis, Indiana 46204.

No cameras, recording equipment, electronic devices, large bags, briefcases 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

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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 D. F. King & Co., Inc. to assist in the solicitation of proxies. D. F. King & Co., Inc. will receive a fee of approximately \$7,000 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.

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. We take great care to ensure that our measures align with the requirements of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), the rules promulgated by the SEC and the listing standards of the New York Stock Exchange (the NYSE).

Board Leadership Structure

The Board has the flexibility to establish a leadership structure that works best for the Company at a particular time, and can review that structure from time to time. On March 1, 2010, our Board combined the role of Chairman and Chief Executive Officer (CEO) when Larry C. Glasscock retired from his position as Chairman of the Board and as a member of our Board and Angela F. Braly was appointed Chair of the Board. Prior to 2007, the positions of our Chairman of the Board and CEO were held by the same person. When Mr. Glasscock retired as CEO in 2007, the Board separated this combined role into two roles and promoted Angela F. Braly to her positions as our President and CEO. Mr. Glasscock continued to serve as the non-executive Chairman of the Board, until March 1, 2010.

To promote independent Board leadership, as Ms. Braly is both the Chair and the CEO, the Board has an independent Lead Director. 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 Board meeting), serves as a liaison between the Chair and the independent directors, approves information sent to the Board, approves meeting agendas and schedules for the Board, has the authority to call additional meetings of the independent directors and is available for consultation and direct communication, if requested, with major shareholders. Jackie M. Ward is the Lead Director.

Given the profound transition in our industry and the changes we will likely face in the next few years, the Board believes that it is most efficient and effective to have a single individual fulfilling the two roles of Chair and CEO at this time. The Board of Directors also recognizes the important leadership roles that our Lead Director has in leading the executive sessions of our non-employee and independent directors, and that the chairpersons of each of the committees of the Board have in leading their respective committee meetings and reviewing and approving agendas in advance of such meetings. We also believe that the current leadership structure supports the Board's role in risk oversight by combining the operational experience of a member of management with the oversight focus of a member of the Board, as more fully discussed below. The Board evaluates its leadership structure on an ongoing basis and may change it as circumstances warrant.

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Board Role in Risk Oversight

Our Board of Directors oversees the risk management processes that have been designed and are implemented by our executives, in conjunction with third party experts, 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 appropriately delegates to the Board committees the responsibility for assisting in the oversight of categories of risk within their areas of responsibility. A description of the enterprise risks facing us is included in Item I, Part IA Risk Factors in our 2010 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 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, the Chief Risk Officer and the head of internal audit. 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 where appropriate);

Act on risk tolerance breaches;

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. The Strategic Risk Forum is chaired by our Chief Risk Officer. Roles and responsibilities of the Strategic Risk Forum include:

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 Enterprise Risk Council.

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.

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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 out 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;

Twelve of our thirteen 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 Board meeting;

A Lead Director presides at the executive sessions of independent directors and performs various other duties; the Lead Director position 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, 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; all directors have attended at least eight hours of educational programs within the past two years;

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

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;

Our Statement of Company Policy Regarding Security Transactions by Company Personnel prohibits short sales, hedging transactions and pledges of Company stock by all associates, including Named Executive Officers;

We have eliminated the payment of excise tax gross-ups on change-in-control payments for all executive officers; and

The Board has approved certain amendments to our Articles of Incorporation and By-Laws to eliminate supermajority voting requirements, to opt out of the Indiana Control Share Acquisitions Statute, and to make other improvements in our corporate governance practices and is submitting the amendments to our Articles of Incorporation to our shareholders for approval at the annual meeting. See Proposals Nos. 3(a) through 3(e) beginning on page 26.

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 the Corporate Governance tab.

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

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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.

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 the Corporate Governance tab.

Our Board has determined that each of the following directors meets these standards, has no material relationship with us and is independent as defined by the NYSE listing standards and the SEC's rules: Lenox D. Baker, Jr., M.D., Susan B. Bayh, Sheila P. Burke, William H.T. Bush, Julie A. Hill, Warren Y. Jobe, William G. Mays, Ramiro G. Peru, Senator Donald W. Riegler, Jr., William J. Ryan, George A. Schaefer, Jr., and Jackie M. Ward. In determining that Dr. Baker was independent, the Board reviewed the transactions discussed on page 14, under Review and Approval of Transactions with Related Persons, and determined that such transactions did not impair his independence.

Meetings and Committees of the Board

During 2010, the Board held seventeen 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.

There are five standing committees of the Board. From time to time, the Board, in its discretion, may form other committees. The following table provides membership information for each of the Board committees as of March 1, 2011.

Directors	Executive Committee	Audit Committee	Compensation Committee	Governance Committee	Planning Committee
Lenox D. Baker, Jr. M.D.					X
Susan B. Bayh					X
Angela F. Braly	Chair				
Sheila P. Burke				X	X
William H.T. Bush	X		X		Chair
Julie A. Hill		X		X	X
Warren Y. Jobe		X			X
William G. Mays		X		X	
Ramiro G. Peru		X	X		
Donald W. Riegler, Jr.			X	X	
William J. Ryan	X		Chair		
George A. Schaefer, Jr.	X	Chair			
Jackie M. Ward*	X		X	Chair	

* Lead Director

Set forth below are the primary responsibilities of each of the committees.

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

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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. See *Audit Committee Matters*, *Audit Committee Report* and *Governance of the Company*, *Board Role in Risk Oversight*.

The Audit Committee met nine times during 2010. The Audit Committee also met separately with each member of management, the head of internal audit, the chief risk officer and the independent registered public accounting firm during 2010.

The current members of the Audit Committee are George A. Schaefer, Jr. (Chairperson), Warren Y. Jobe, Julie A. Hill, William G. Mays and Ramiro G. Peru. 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 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 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 outside compensation consultants to assist in the evaluation of CEO and executive officer compensation, as authorized under its charter. The consultants report directly to the Compensation Committee, regularly participate in Committee meetings and advise the Committee with respect to compensation trends and best practices, plan design and the reasonableness of individual compensation awards.

Through April 2010, the Compensation Committee engaged Towers Watson & Co. (formerly Watson Wyatt) (Towers Watson) as its compensation consultant. Towers Watson provided executive compensation consulting services and also consulting services related to investments and communication services and broker activities. For information regarding the fees paid to Towers Watson in 2010, see *Compensation of Executive Officers*, *Compensation Discussion and Analysis*, *Compensation Decisions/Determination of Compensation-Role of Compensation Consultant*. The Compensation Committee replaced Towers Watson with Semler Brossy Consulting Group, LLC (Semler Brossy) in May 2010. Semler Brossy does not provide any services to the Company, other than executive compensation consulting services.

The Compensation Committee met seven times during 2010. The current members of the Compensation Committee are William J. Ryan (Chairperson), William H.T. Bush, Ramiro G. Peru, Senator Donald W. Riegle, Jr., and Jackie M. Ward. 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 Exchange Act and independent within the meaning of the NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

None of the Compensation Committee members was involved in a relationship requiring disclosure as an interlocking director, or under Item 404 of Regulation S-K, or as our former officer or associate.

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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 2010, 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 met six times during 2010. The current members of the Governance Committee are Jackie M. Ward (Chairperson), Sheila P. Burke, Julie A. Hill, William G. Mays, and Senator Donald W. Riegle, Jr.. The Board has determined that each of the members of the Governance Committee is independent as defined by the NYSE listing standards.

Shareholder Nominees

The policy of the Governance Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board as described below under Identifying and Evaluating Nominees for Directors. In evaluating such nominations, 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 nominations 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-B315, 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.

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.

Director Qualifications

The Governance Committee, assisted by outside consultants, will look for candidates who possess qualifications that meet our strategic needs; possess high personal and professional values, judgment and integrity; have an understanding of our business and the regulatory and policy environment in which we operate; and have diverse experiences in key business, financial and other challenges that face a publicly held health benefits company. In particular, the Governance Committee will look for candidates with special and diverse experience in areas such as:

management of public companies, entrepreneurial companies and large companies;

insurance industry experience;

investment banking and banking industry experience;

health care industry experience;

communications, multi-media networking and public relations experience;

consumerism and marketing experience;

accounting and audit experience;

clinical health experience;

technology and e-commerce experience;

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education experience;

government experience;

nonprofit organization experience;

social responsibility experience; and

directorship experience (including with us and other boards).

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 for nominees, 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 five female directors, one African-American director and one Hispanic director. The directors range in age from late 40s to early 70s and reside in 10 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.

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 *Current Directors whose Terms Expire at the 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. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials are forwarded to the Governance Committee. The Governance Committee may also review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder.

The Planning Committee

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.

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The Planning Committee met five times during 2010. The current members of the Planning Committee are William H.T. Bush (Chairperson), Lenox D. Baker, Jr., M.D., Susan B. Bayh, Sheila P. Burke, Julie A. Hill, and Warren Y. Jobe.

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 three times during 2010. The current members of the Executive Committee are Angela F. Braly (Chairperson), William H.T. Bush, William J. Ryan, George A. Schaefer, Jr., and Jackie M. Ward.

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 Lead Director. Individuals may also communicate with the Board by submitting a letter to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, 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 a majority of 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.

Board Attendance at Annual Meeting of Shareholders

Our policy is that Board members are expected to attend each annual meeting of shareholders. With one exception due to personal circumstances, all members of the Board attended the 2010 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 their immediate family members, or

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shareholders owning five percent or greater of our outstanding common stock). The policy covers any related person transaction that involves amounts exceeding \$120,000 in any calendar year and in which a related person has a direct or indirect material interest.

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 related person 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 ensure compliance with the Governance Committee's guidelines and that the transactions remain appropriate.

Current Transactions

Until June 30, 2010, Dr. Lenox D. Baker, Jr., a member of our Board, was a cardiac and thoracic surgeon and was the President of Mid-Atlantic Cardiothoracic Surgeons, Ltd., which is a provider in our network. Dr. Baker was one of eight doctors associated with Mid-Atlantic Cardiothoracic Surgeons, Ltd. but Dr. Baker retired effective June 30, 2010 and no longer has any ownership interest in Mid-Atlantic Cardiothoracic Surgeons, Ltd. For the year ended December 31, 2009, we made payments in the amount of approximately \$990,800, and for the six months ended June 30, 2010, when Dr. Baker retired, we made payments of approximately \$561,000, to this practice for reimbursement of claims. The Governance Committee approved and monitored this arrangement consistent with the above policy.

In the ordinary course of business, we may, from time to time, engage in transactions with other corporations or financial institutions whose officers or directors are also our directors. Transactions with such corporations and financial institutions are conducted on an arm's length basis, and in 2010, 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, management 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 the Corporate Governance tab.

Everyone is expected 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 the Corporate Governance tab and otherwise disclosed as required by law. During 2010, 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

2010 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.	\$ 78,546	\$ 249,954	\$ 1,918	\$ 330,418
Susan B. Bayh	\$ 80,546	\$ 249,954		