WELLPOINT, INC
Form DEF 14A
April 02, 2012
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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:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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April 2, 2012

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2012 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 Wednesday, May 16, 2012. 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, 2012, 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.

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 16, 2012

TIME AND DATE	8:00 a.m., Eastern Daylight Time, on Wednesday, May 16, 2012
PLACE 120 West Market Street Indianapolis, Indiana 46204	Hilton Hotel
ITEMS OF BUSINESS	(1) To elect the four 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 2012. (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, 2012.
ANNUAL REPORT	

Our 2011 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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2012 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 2011 Annual Report on Form 10-K.

Annual Meeting of Shareholders

Wednesday, May 16, 2012 at 8:00 a.m., EDT
Hilton Hotel, 120 West Market Street, Indianapolis, Indiana 46204

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 2012	FOR
Advisory vote to approve the compensation of our Named Executive Officers	FOR
Shareholder proposal	AGAINST

Business Highlights

Our 2011 net income increased to $7.25 per share from $6.94 per share in 2010.

Medical enrollment increased by 928,000 for the year to approximately 34.3 million members at December 31, 2011.

Selling, general and administrative expenses declined by $297 million from 2010 to 2011.

Beginning in the first quarter of 2011, the Board of Directors established a cash dividend on our common stock, and declared a dividend in the amount of $0.25 per share in each quarter of 2011.

In August 2011, we completed the acquisition of CareMore Health Group, Inc. (CareMore), which is a senior focused health care delivery Medicare Advantage program designed to deliver proactive, integrated, individualized health care. The acquisition of CareMore supports our strategic plans to capitalize on new opportunities for growth in the changing marketplace and to create the best health care value in our industry.

Compensation Highlights

Our strong financial performance is reflected in the compensation that our Named Executive Officers (NEOs) earned in 2011, as described in our Compensation Discussion and Analysis and reflected in the Summary Compensation Table in this proxy statement.

Angela F. Braly, Chair of the Board, President and Chief Executive Officer, received compensation for 2011 which was commensurate with business results, including an annual incentive plan (AIP) cash award of $1,858,528, and long-term equity awards (in the form of performance share units, time-based restricted stock units and stock options) with a grant date fair value of $10,000,522. Consistent with our compensation philosophy, the significant majority of her total direct compensation for 2011 was incentive-based and at risk, as illustrated by the following chart:

The compensation of our other NEOs reflects both our strong 2011 performance and our compensation philosophy:

NEO	2011 Base Salary	AIP Award	Long-term Incentive
Wayne S. DeVeydt	$700,000	$824,256	$2,300,127
Kenneth R. Goulet	$700,000	$910,245	$2,000,114
Brian A. Sassi	$700,000	$419,150	$1,770,095
Lori A. Beer	$600,000	$605,205	$1,420,088

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WELLPOINT, INC.

120 Monument Circle

Indianapolis, Indiana 46204

PROXY STATEMENT

Annual Meeting of Shareholders

May 16, 2012

Purpose

This proxy statement is being made available to shareholders on or about April 2, 2012 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 16, 2012, 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 2011 Annual Report on Form 10-K as well as how to submit your proxy through the Internet. On or about April 2, 2012, 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, 2012, 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 15, 2012, the record date for the annual meeting, there were 332,590,137 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.

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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 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 (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 14, 2012 at 11:59 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 14, 2012 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 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 15, 2012. **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. 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 15, 2012. **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 2012,**
- **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 you will be given the opportunity to revoke your proxy and 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 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 2011 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 2011 Annual Report on Form 10-K to our Secretary, WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Our 2011 Annual Report on Form 10-K is also available on our website under Investors Financial Information SEC Filings at www.wellpoint.com.

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 2013 annual meeting of shareholders pursuant to SEC Rule 14a-8, the 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, 2012. 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 2013 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 2013 annual meeting of shareholders, such notice must be delivered no earlier than January 16, 2013 and no later than February 15, 2013. 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.

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, dated as of the record date of March 15, 2012, 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, 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.

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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 $6,000 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.

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 Chief Executive Officer (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 combined and held by Angela F. Braly.

When 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. To promote independent Board leadership, as Ms. Braly is both the Chair and the CEO, the Board has elected 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 current 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 at this time it is most efficient and effective to have a single individual fulfilling the roles of Chair and CEO. The Board of Directors also recognizes the important leadership roles played by our Lead Director and the chairpersons of each of the committees of the Board. 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 an independent member of the Board, as more fully discussed below. 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

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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 2011 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 and approval 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).

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.

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.

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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 By-Laws and have opted out of the Indiana Control Share Acquisitions Statute;
- Ten of our eleven 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;
- 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;
- 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;
- We do not provide tax gross-ups on payments made in connection with a change in control or on perquisites;

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.

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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 each of the following directors meets these standards, has no material relationship with us and is independent as defined by the New York Stock Exchange (NYSE) listing standards and the SEC s rules: Lenox D. Baker, Jr., M.D., Susan B. Bayh, Sheila P. Burke, William H.T. Bush (retired May 17, 2011), Robert L. Dixon, Jr., Julie A. Hill, Warren Y. Jobe, William G. Mays (retired December 8, 2011), Ramiro G. Peru, Donald W. Riegle, Jr. (retired May 17, 2011), William J. Ryan, George A. Schaefer, Jr., and Jackie M. Ward.

Meetings and Committees of the Board

During 2011, 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.

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, 2012.

Directors	Executive Committee	Audit Committee	Compensation Committee	Governance Committee	Planning Committee
Lenox D. Baker, Jr. M.D.			X		X
Susan B. Bayh				X	X
Angela F. Braly	Chair				
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		
William J. Ryan	X		Chair	X	
George A. Schaefer, Jr.	X	Chair	X		
Jackie M. Ward*	X		X	Chair	

* Lead Director

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

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

The Audit Committee met ten times during 2011. The Audit Committee also met one time as the Pricing Committee with respect to our issuance of debt securities in August 2011. The Audit Committee met separately, generally at each in person meeting, with executive management, the head of internal audit, the Chief Risk Officer and the independent registered public accounting firm during 2011. 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 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 May 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 met six times during 2011. 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

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directly to the Governance Committee. During 2011, 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 five times during 2011. 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 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.

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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 early 50s 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.

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.

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 that we must comply with. 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 and Directors Continuing in Office.

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. The Planning Committee met five times during 2011.

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 2011.

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 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 was not then a Director, all members of the Board attended the 2011 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 ensure compliance with the Governance Committee s guidelines and that the transactions remain appropriate.

Current Transactions

There were no transactions in 2011, 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 2011, 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 2011, 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

2011 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.	$ 77,562	$ 249,938	$ 10,000	$ 337,500
Susan B. Bayh	$ 79,562	$ 249,938		$ 329,500
Sheila P. Burke	$ 79,312	$ 249,938		$ 329,250
William H.T. Bush[(5)]	$ 38,747		$ 10,000	$ 48,747
Robert L. Dixon, Jr.[(6)]	$ 44,275			$ 44,275
Julie A. Hill	$ 99,548	$ 249,938	$ 12,155	$ 361,641
Warren Y. Jobe	$ 91,812	$ 249,938	$ 10,000	$ 351,750
William G. Mays[(7)]	$ 91,812[(8)]	$ 249,938	$ 10,000	$ 351,750
Ramiro G. Peru	$ 89,812	$ 249,938		$ 339,750
Donald W. Riegle, Jr.[(5)]	$ 31,956[(9)]		$ 2,915	$ 34,871
William J. Ryan	$ 93,062	$ 249,938		$ 343,000
George A. Schaefer, Jr.	$ 107,312	$ 249,938	$ 10,000	$ 367,250
Jackie M. Ward	$ 113,584[(10)]	$ 249,938	$ 11,790	$ 375,312

(1) Employee directors do not receive any compensation for their service as a director. Ms. Braly s compensation for 2011 is shown in the Summary Compensation Table.

(2) In addition to annual Board and committee chairperson retainer fees and meeting fees, amounts include $62.50 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, excluding Messrs. Bush and Riegle, who retired from the Board prior to the grant of the stock awards, and Mr. Dixon who was not then a director.

(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, 2011, in accordance with Accounting Standards Codification Topic 718, Compensation Stock Compensation (ASC 718). During 2011, each non-employee director, excluding Messrs. Bush, Dixon and Riegle, received 3,125 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 17, 2011). 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 2011 stock awards is calculated by multiplying the closing price of our common stock on the NYSE on the date of grant, which was $79.98, by the number of shares in the stock award. As of December 31, 2011, 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.: 20,808 and 16,667; Susan B. Bayh: 20,808 and 0; Sheila P. Burke: 28,018 and 9,920; William H.T. Bush: 0 and 59,520; Robert L. Dixon, Jr.: 0 and 0; Julie A. Hill: 28,018 and 0; Warren Y. Jobe: 20,808 and 9,920; William G. Mays: 28,482 and 0; Ramiro G. Peru: 20,808 and 0; Senator Donald W. Riegle, Jr.: 0 and 2,500; William J. Ryan: 20,808 and 20,000; George A. Schaefer, Jr.: 20,808 and 20,000; and Jackie M. Ward: 25,052 and 40,000. 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 and, for Mr. Riegle, Ms. Hill and Ms. Ward, the cost of annual physical exams paid by us. See Matching Gift Program.

(5) Messrs. Bush and Riegle retired from our Board of Directors effective May 17, 2011, and therefore, did not receive a stock award for 2011 and all stock was paid out in accordance with their payout elections.

(6) Mr. Dixon was not a member of the Board in May 2011 and therefore, did not receive the annual stock award.

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(7) Mr. Mays retired from our Board in December 2011.

(8) All of Mr. Mays 2011 compensation was deferred by him pursuant to the Board Deferred Compensation Plan, other than the $62.50 paid in cash in lieu of a fractional share.

(9) Of this amount, $6,391 ($3,791 in retainer fees and $2,600 in Board and committee meeting fees) was deferred by Senator Riegle pursuant to the Board Deferred Compensation Plan.

(10) All of Ms. Ward s 2011 compensation was deferred by her pursuant to the Board Deferred Compensation Plan, other than the $62.50 paid in cash in lieu of a fractional share.

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 2011, each non-employee director received:

- an annual cash retainer fee of $50,000, paid in advance in four equal quarterly installments;
- an annual stock retainer fee of $250,000 as described under Board Equity Compensation and Stock Ownership Guidelines ;
- 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;
- 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 does 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. 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 2011, 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 five times the annual Board cash retainer fee, based on the closing price of our common stock as reported on the NYSE on

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the date of grant. Effective for 2012, the annual grant has been reduced to 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 2011, each then non-employee director received 3,125 shares based on the market price of $79.98 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 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 is in compliance with 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, 2012 by:

each of our current directors,

each of our CEO, CFO and the three other most highly compensated executive officers during 2011 (collectively, the Named Executive Officers),

all current directors and executive officers as a group, 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, 2012 (currently exercisable options) and shares of common stock underlying restricted stock units that will vest within 60 days of January 31, 2012 (vested restricted stock units).

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%)
Angela F. Braly	Chair of the Board, President and Chief Executive Officer	1,923,056(2)	142,378	2,065,434	*
Lenox D. Baker, Jr., M.D.	Director	79,109(3)	20,808	99,917	*
Susan B. Bayh	Director	0	20,808	20,808	*
Sheila P. Burke	Director	26,120(4)	28,018	54,138	*
Robert L. Dixon, Jr.	Director	0	0	0	*
Julie A. Hill	Director	0	28,018	28,018	*
Warren Y. Jobe	Director	17,780(5)	20,808	38,588	*
Ramiro G. Peru	Director	6,267	20,808	27,075	*
William J. Ryan	Director	30,552(6)	20,808	51,360	*
George A. Schaefer, Jr.	Director	24,860(7)	20,808	45,668	*
Jackie M. Ward	Director	43,538(8)	25,052	68,590	*
Wayne S. DeVeydt	Executive Vice President and Chief Financial Officer	381,180(9)	57,712	438,892	*
Brian A. Sassi	Former Executive Vice President, Marketing and President and CEO, Consumer Business Unit	223,994(10)	69,330	293,324	*
Kenneth R. Goulet	Executive Vice President, Employer, Medicaid, Individual and Specialty	419,733(11)	27,934	447,667	*
Lori A. Beer	Executive Vice President, Enterprise Business Services	244,866(12)	48,336	293,202	*
BlackRock, Inc.		23,507,929	N/A	23,507,929	6.76%

40 East 52nd Street

New York, NY 10022[13]				
All directors and executive officers as a group (20 persons)	4,540,645[14]	677,853	5,218,498	*

* Less than 1%

(1) For Named Executive Officers, this number represents shares of restricted stock that had not yet vested as of January 31, 2012. 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

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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 1,565,847 shares of our common stock and 6,533 shares held in Ms. Braly s 401(k) Plan account.

(3) Includes currently exercisable options to purchase 16,667 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 9,920 shares of our common stock.

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

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

(8) Includes currently exercisable options to purchase 40,000 shares of our common stock and 108 shares owned by Ms. Ward s spouse.

(9) Includes currently exercisable options to purchase 317,106 shares of our common stock.

(10) Includes currently exercisable options to purchase 200,318 shares of our common stock and 6,341 shares held in Mr. Sassi s 401(k) Plan account.

(11) Includes currently exercisable options to purchase 362,207 shares of our common stock and 5,722 shares held in Mr. Goulet s 401(k) Plan account.

(12) Includes currently exercisable options to purchase 187,446 shares of our common stock.

(13) 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 13, 2012, indicating beneficial ownership as of December 31, 2011. BlackRock is a parent holding company or control person and has sole voting and dispositive power with respect to 23,507,929 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 Fund Managers Limited, BlackRock Pensions Limited, BlackRock Asset Management Ireland Limited, BlackRock International Limited, and BlackRock Investment Management (UK) Limited.

(14) Includes currently exercisable options to purchase 3,681,559 shares of our common stock.

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.

Four directors are to be elected at the annual meeting, each to hold office for a term to expire at the 2015 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 Lenox D. Baker, Jr., M.D., Susan B. Bayh, Julie A. Hill and Ramiro G. Peru. 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 was previously elected by our shareholders to serve on our Board. Mr. William G. Mays retired from the Board of Directors in December 2011, prior to the expiration of his term in 2014.

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

Lenox D. Baker, Jr., M.D., Susan B. Bayh, Julie A. Hill and Ramiro G. Peru.

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, 2012.

NOMINEES FOR DIRECTOR

Three-year term to expire at the Annual Meeting of Shareholders in 2015

Lenox D. Baker, Jr., M.D., age 70, has been a director of the Company since 2002 and a director of Anthem Insurance Companies, Inc. (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).

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 52, 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 65, has been a director of the Company since November 2004. Ms. Hill served on the former WellPoint Health Networks, Inc. (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 Lend Lease, Ltd. (international retail and residential property group) and the Lord Abbett Family of Mutual Funds (mutual funds). 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 56, 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 UniSource 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.

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DIRECTORS CONTINUING IN OFFICE

Term expiring at the Annual Meeting of Shareholders in 2013

Sheila P. Burke, age 61, has been a director of the Company since November 2004. Ms. Burke served on the former board of directors of 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 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 Senate staff member in the 1980s 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 66, has been a director of the Company since 2001 and a director of 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.

Jackie M. Ward, age 73, 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-SCI 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.

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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.

Term expiring at the Annual Meeting of Shareholders in 2014

Angela F. Braly, age 50, has been our President and Chief Executive Officer and a director since June 2007 and has served as Chair of the Board since March 1, 2010. Prior to that, Ms. Braly served as our Executive Vice President, General Counsel and Chief Public Affairs Officer since April 2005. Additionally, Ms. Braly served as President and CEO of Blue Cross Blue Shield of Missouri (our subsidiary) from 2003 until April 2005. She joined RightCHOICE Managed Care, Inc. in January 1999, then the parent company of Blue Cross Blue Shield of Missouri, as General Counsel, also overseeing government relations. Prior to that Ms. Braly was a partner in the law firm of Lewis, Rice & Fingersh, L.C. Ms. Braly has been a director of The Procter & Gamble Company (consumer products) since December 2009. She is also a director of the Blue Cross Blue Shield Association, America s Health Insurance Plans, National Institute for Health Care Management, the Central Indiana Corporate Partnership, Inc., and the Harvard Medical School Health Care Policy Advisory Council.

In her position as President and CEO of the Company, Ms. Braly has extensive management, insurance industry and health care industry experience. She also has significant communications, multi-media networking and public relations experience, having served as our Chief Public Affairs Officer prior to becoming President and CEO. Ms. Braly also has consumerism and marketing experience, as she guides our consumer outreach, and from serving as a director of a major consumer products company.

Robert L. Dixon, Jr., age 56, has been a director of the Company since July 2011. Mr. Dixon was first identified by a director search firm and was appointed by the Board of Directors upon the recommendation of the Governance Committee. 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 71, 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 UniSource 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

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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 68, 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) 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.

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, 2011. The Audit Committee has selected Ernst & Young LLP to continue in that capacity for 2012 and is submitting this matter to shareholders for their ratification as a matter of good corporate governance. In the event this proposal is not approved, the Audit Committee will consider whether to select another independent registered public accounting firm for 2013. 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.

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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, 2011 and 2010, and fees billed for other services rendered by Ernst & Young LLP during those periods.

Fee Category	Fiscal Year 2011	Fiscal Year 2010
Audit fees(1)	$ 8,804,000	$ 9,082,000
Audit-related fees(2)	$ 1,484,000	$ 1,419,000
Tax fees(3)	$ 203,000	$ 258,000
All other fees(4)	$ 24,000	$ 181,000

(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 Engagements, 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 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 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 both the independent registered public accounting firm and 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.

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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 matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Codification of Statements on Auditing Standards, AU 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T 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, 2011 as filed with the SEC.

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
Angela F. Braly	50	Chair of the Board, President and Chief Executive Officer
Lori A. Beer	44	Executive Vice President, Enterprise Business Services
Randal L. Brown	53	Executive Vice President and Chief Human Resources Officer
John Cannon	58	Executive Vice President, General Counsel, Secretary and Chief Public Affairs Officer
Wayne S. DeVeydt	42	Executive Vice President and Chief Financial Officer
John E. Gallina	52	Senior Vice President, Controller, Chief Accounting Officer, and Chief Risk Officer
Kenneth R. Goulet	52	Executive Vice President, Employer, Medicaid, Individual and Specialty
Harlan E. Levine, M.D	51	Executive Vice President, Comprehensive Health Solutions
V. Rajamannar Madabhushi	51	Executive Vice President, Senior Business and Chief Transformation Officer
Gloria M. McCarthy	59	Executive Vice President, Office of the CEO
Samuel R. Nussbaum, M.D	63	Executive Vice President, Clinical Health Policy and Chief Medical Officer

The ages and positions listed above for each executive officer are as of April 1, 2012.

The following is biographical information for our executive officers:

Angela F. Braly See biographical information above under Directors Continuing in Office Term expiring at the Annual Meeting of Shareholders in 2014.

Lori A. Beer has served as our Executive Vice President of Enterprise Business Services since October 2010. Prior to that appointment she served 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 has served as our Executive Vice President and General Counsel since December 2007 and he became our Secretary in February 2009. 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.

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.

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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, 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 this position, Mr. Goulet was president of our national accounts business. Mr. Goulet has more than 30 years of health insurance industry experience in management, sales, operations, strategy and plan execution.

Harlan E. Levine, M.D. has served as our Executive Vice President of Comprehensive Health Solutions since July 2011. Prior to joining us, he was employed by Towers Watson & Co. from 2008 to 2011 as the national practice leader for the firm s health management business. Dr. Levine also worked for several national health care organizations in a variety of leadership roles, including as Chief Medical Officer of UnitedHealth Group s Optum Care Solutions from 2002 to 2008.

V. Rajamannar Madabhushi has served as our Executive Vice President, Senior Business and Chief Transformation Officer since March 2012. Prior to joining us, he was the Senior Vice President and Chief Innovation and Marketing Officer for Humana Inc. having held that position since April 2009. Prior to joining Humana, Mr. Rajamannar was the Executive Vice President and Chief Marketing Officer of Global Cards division of Citigroup Inc. from 2006 to 2008.

Gloria M. McCarthy has served as our Executive Vice President, Office of the CEO since February 2012. Prior to that appointment, Ms. McCarthy served 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).

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 2011, our executive officers, directors, and greater than 10% shareholders complied with all applicable filing requirements relating to our common stock.

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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 2011, a substantial majority 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 2011 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 2011, fixed compensation (salary and benefits) made up only 11% (for the CEO) to approximately 23% (for the other Named Executive Officers) of target total compensation. 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 29 for additional details about our executive compensation program, including information about the fiscal year 2011 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 2012 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.

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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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.

2011 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 2011: