



# Health. Care. Value.

## Profile

WellPoint is committed to improving the lives of the people we serve and the health of our communities by simplifying the connection between health, care and value. Our goal is to help shape the impact each health care decision has on individuals, the health care system at-large and our communities. WellPoint's more than 42,000 associates work every day to help create the best health care value for our customers. Through collaborations with providers and with innovative programs, WellPoint's affiliated health plans reward healthy lifestyles and quality, safe and effective care. As the nation's largest health benefits company, with approximately 35 million members in its affiliated health plans, WellPoint is at the center of the health care system. This position provides us with the relationships and insights needed to help create affordable and actionable solutions that improve health care.

As an independent licensee of the Blue Cross and Blue Shield Association, WellPoint serves members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin. We also serve our members throughout the country as UniCare. Additional information about WellPoint is available at [www.wellpoint.com](http://www.wellpoint.com).

## Contents

Financial Highlights **1**  
To Our Shareholders,  
Customers and Communities **2**  
Health. Care. Value. **4**  
Health **6**  
Care **12**  
Value **18**  
WellPoint At A Glance **24**  
Building a Sustainable  
Health Care System **26**  
Financial Statements **27**  
Board of Directors **30**  
Executive Leadership Team **31**  
Social Responsibility **32**  
Shareholder Information **33**

## Mission

To improve the lives of the people we serve and the health of our communities.

## Promise

We simplify the connection between health, care and value.

This report is also available online at  
[www.wellpoint.com/annualreport/2008](http://www.wellpoint.com/annualreport/2008)

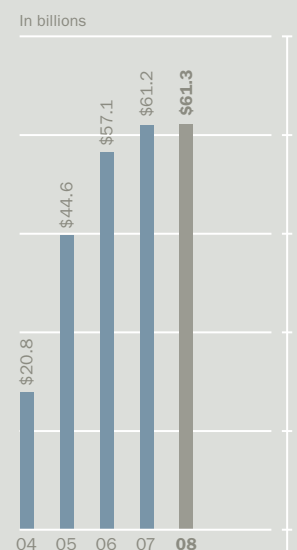
## FINANCIAL HIGHLIGHTS

Dollars in millions, except per share data	Years ended December 31	08	07	06
<b>Operating results</b>				
Total operating revenue		\$61,579.2	\$60,155.6	\$56,179.8
Total revenue		61,251.1	61,167.9	57,058.2
Net income		2,490.7	3,345.4	3,094.9
<b>Earnings per share</b>				
Basic net income	\$	4.79	5.64	4.93
Diluted net income		4.76	5.56	4.82
<b>Balance sheet information</b>				
Total assets		\$48,403.2	\$52,060.0	\$51,574.9
Total liabilities		26,971.5	29,069.6	26,999.1
Total shareholders' equity		21,431.7	22,990.4	24,575.8
<b>Medical membership</b> (In thousands)				
Commercial		28,304	27,886	27,484
Consumer		5,352	5,543	5,260
Other		1,393	1,380	1,357
Total medical membership		35,049	34,809	34,101

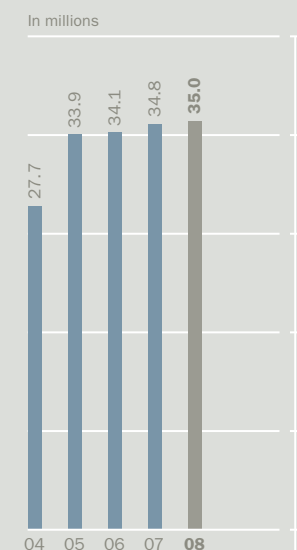
The information presented above should be read in conjunction with the audited consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in WellPoint's 2008 Annual Report on Form 10-K.

Certain prior year amounts have been reclassified to conform to current year presentation.

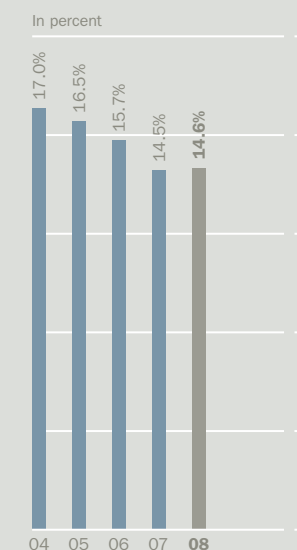
## TOTAL REVENUE



## TOTAL MEDICAL MEMBERSHIP



## SELLING, GENERAL AND ADMINISTRATIVE EXPENSE RATIO





WellPoint remains a profitable and financially strong company – well positioned to address the challenges of our current economy and capitalize on future opportunities. Our Corporate Promise, “to simplify the connection between health, care and value,” is our commitment to improving the lives of the 35 million members in our affiliated health plans as well as the health of the communities we serve.

In 2008, WellPoint faced both company-specific and broader economic challenges. No industry, including health care, was immune from the effects of a slowing national economy. The economic environment also placed increased pressure on our customers to tighten their own budgets, including their health care expenditures. Even in the midst of these challenges, WellPoint remained a profitable and financially strong company.

We took swift and decisive actions to manage our own challenges as well as to address external factors throughout the year. In particular, we significantly reduced our claims inventory levels, refreshed our information technology strategy, and strengthened our financial reserves. We have continued to effectively manage our administrative expense costs as a percentage of revenue while making investments to grow our business for the future. These actions contributed to positive results for our customers. As an example, our Member TouchPoint Measure scores were up 4.5 points in 2008 and our customer service metrics continue to improve.

#### **Increasing Shareholder Value in 2009**

As the largest health benefits company in America by membership, WellPoint holds a unique position within the health care marketplace. We are well-equipped to address the current challenges and capitalize on the opportunities presented by the economy. Now more than ever our customers are looking to us to create more

value for their health care benefits. We will continue to focus on excelling at day-to-day operations for our customers and will strive to exceed our operational commitments and financial expectations.

We expect earnings per share growth in 2009 through innovative product offerings, disciplined pricing, effective medical cost management and efficient capital management. We will continue investing for future growth by delivering services that will help improve the quality and affordability of health care for our customers and ultimately lower our administrative cost structure.

Our national breadth and diverse membership position us well for the current economic downturn as we have multiple sources of revenue. As a Blue Cross and/or Blue Shield licensee in 14 states, we have the most recognizable brand in our industry and offer our members unparalleled access to 82 percent of all physicians and 94 percent of all hospitals in the United States through the BlueCard® program. Our brand, access to broad provider networks across the country and leading presence in our markets deliver sustainable competitive advantages.

There is a unifying urgency associated with achieving responsible health care reform in America. WellPoint is a leading advocate for responsible health care reform and is actively involved in the discussions to address quality, cost and coverage. I encourage you to review page 26 of this report, where you will find a summary of the four cornerstones of reform that we believe will help improve quality, eliminate waste and optimize costs in the health care system we all share.

#### **Health. Care. Value.**

Last year’s accomplishments and this year’s outlook are important to discuss, but we must never lose focus on the most important reason we’ve become the nation’s preeminent health benefits company: our customers.

We’ve organized this year’s report around our Corporate Promise, “to simplify the connection between health, care and value,” because it describes the three areas where our health plans partner with our customers, doctors and hospitals. Each section includes examples of the products, services and strategies that simplify the health care experiences for the 1 in 9 Americans we serve.

When you read this report, I encourage you to pay particular attention to the people, including: Christine Rubio-Puente, who makes a difference in the Health of our communities through our Community Resource Centers; Maria Garcia, a nurse case manager who helps to ensure the proper Care of our members; and Dr. Mark DeFrancesco, a physician in Connecticut who sees Value in providing incentives for better patient care. They are among the many talented employees and partners helping us fulfill our promise each and every day.

Health. Care. Value. represents the foundation of our promise to our customers. As we simplify their connection, WellPoint will continue to lead our industry while improving the lives of the people we serve and the health of our communities.

**Angela F. Braly**  
President and Chief Executive Officer

# Health. Care. Value.

Three brief words convey WellPoint's promise to everyone we serve. Together, they guide our effort to improve the millions of lives we touch daily. Integrated, they strengthen our ability to help heal and prevent disease. Shared collectively, they inspire our people to constantly simplify their connection. These words tell WellPoint's story, and how we benefit our members' lives with better choices and control over their own well being.



# Health.

This is our most precious possession. Quality of life has no greater measure. Whether we help maintain it or bring about its return after sickness or injury, protecting our members – body and mind, with compassion and dignity – is core to WellPoint's mission.







**OUR HEALTH CONNECTS US**

The choices we make affect not only our own health, but also the health of friends, family and coworkers. When we decide to lose weight, quit smoking or start exercising, studies show that it inspires others around us to do the same. What's good for the individual creates a ripple effect, one that can ultimately extend through the health care system. Through WellPoint's range of plans, provider networks and wellness programs, we aim to strengthen this connection and start a health movement that helps contain costs and improve quality of life. After all, we're all in this together.

**IMPROVING ACCESS AT THE LOCAL LEVEL**

WellPoint's Community Resource Centers are dedicated health-access facilities for our members, providers and the underserved. The centers' outreach specialists conduct education and wellness programs and address social service needs and other barriers to navigating the health care system. By partnering with community organizations, the centers give thousands of families critical information and support to help improve their lives. And as more of these centers go "online," we hope to reach even more underserved members in our communities.



*WellPoint associate Christine Rubio-Puente is one of the multi-lingual professionals staffing a Community Resource Center in Indianapolis, Indiana. She routinely helps with specific community needs, such as education and wellness programs for diabetes or asthma. Here she confers with a member about health resources for her toddler.*



*Sheri Rattleff is both a WellPoint associate and plan member, and works as a Talent Acquisition Consultant in Human Resources. What's more, she is a consumer of her company's own Healthy Lifestyle programs, literally "walking the talk" as she participates in exercise and fitness classes.*



HEALTH. CARE. VALUE.

I thought it was wonderful that my health plan does such a thing. We women tend to put our family first and forget our health.

Sincerely,  
Joan

**INFORMATION TOOLS FOR LIVING WELL**

Throughout our history, WellPoint has empowered members with valuable resources to help them take a more active role in their health. Online tools engage members and help them understand health risks, set realistic goals and adopt healthier behaviors. Health coaches reinforce online education regarding nutrition, smoking cessation, fitness and stress management. Equipped with this information – and with access to the nation's broadest network of health care professionals – members can improve their health and lower health care costs today and in the future.

**PERSONAL HEALTH CARE GUIDANCE**

WellPoint's 2008 acquisition of Resolution Health, Inc. added a powerful new tool, MyHealth Advantage, to help members receive the best care possible. The service uses sophisticated data analytics to scan individuals' claims data, lab results and other health information. It then sends notices about potential drug interactions and health care improvement opportunities, so that members, physicians and care managers can take appropriate action. MyHealth Advantage not only strengthens patient/physician communication, but also promotes better compliance with recommended care.





## Care.

This is the means to the end, embracing what we do and why we do it. It expresses our service ethic that's present at each touch point. This is the heart of our culture, the soul of WellPoint's customer-first approach. We provide access to quality, affordable care and exceptional service to our members. It's that simple.





*When a complex condition results in a prolonged hospitalization, members and their families have a friend in registered nurse Maria Garcia of Columbus, Georgia. As a case management discharge manager, she helps to plan and direct the critical transition from intensive care to an outpatient or home setting.*

HEALTH. CARE. VALUE.



#### SPECIALIZING IN COMPASSION

WellPoint's nurse care managers serve as personal advocates to members in times of need. When an illness or injury results in a prolonged intensive-care stay, nurse care managers coordinate with physicians to help design the best care plan. They work with members' families and providers, offering education, motivation and encouragement. They also help plan for discharge from the acute care setting, coordinating with community services as needed. In addition, they stress disease prevention by using predictive modeling to identify members at high risk and suggest custom health solutions.

#### TAKING MEASURE OF HEALTH IMPROVEMENTS

WellPoint's two health improvement indices are powerful benchmarks of our performance. Our Member Health Index tracks how well we manage improving members' health through activities to increase preventive care, care management, clinical outcomes and patient safety. The companion State Health Index monitors public health indicators in our communities to help us build and support local programs to improve health care. We are the first health benefits company to link improving the health of our members to the compensation of every associate in the company.



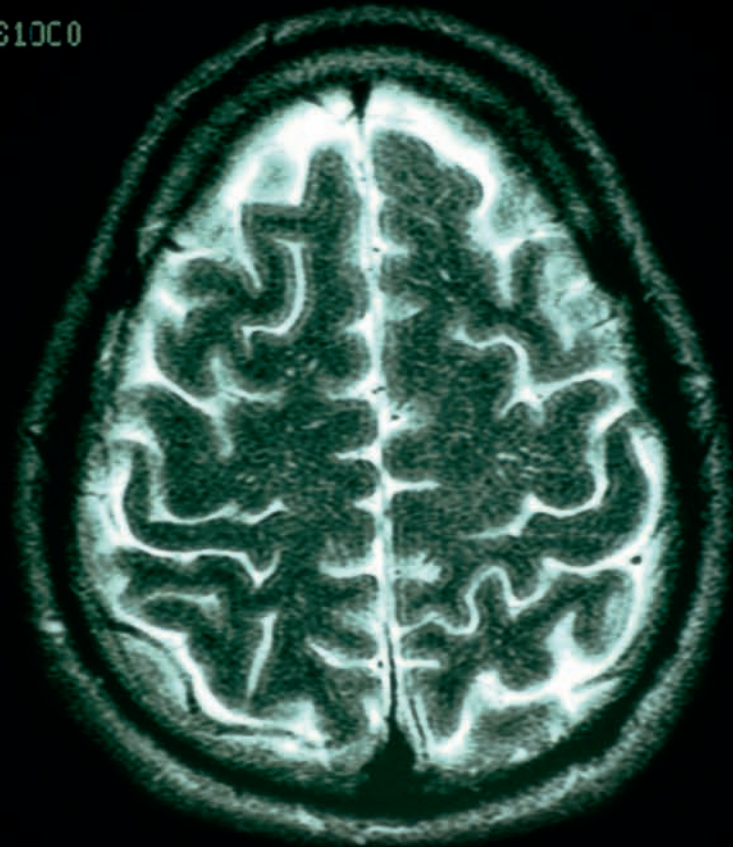
Signa 1.5T SYS#MRS10C0

Ex: 1805  
Se: 2/2  
Im: 11/40  
UA: 130.0

CT: 0

R

FSE/V  
TR: 3200  
TE: 20/Ef  
EC: 1/2 10kHz



SAN JOAQUIN  
HOWELL, M.D.  
40 M 4087  
01/11/09  
11:34

Marcus Wilson, Pharm.D. (foreground), is president of WellPoint's research subsidiary, HealthCore, where he collaborates with colleague Rhonda Bohn, MPH, ScD, to develop the innovative Healthcare Safety Sentinel System. The effort's enormous importance is also attracting the help of nationally recognized institutions and experts, such as Dr. Jerry Avorn of Harvard Medical School.



**CENTERS OF MEDICAL EXCELLENCE**

To help members make informed decisions about choosing a hospital when they face a complex condition, WellPoint designates a network of specialty care centers. The program identifies hospitals that have distinguished themselves in terms of expertise and outcomes in the areas of transplant, bariatric surgery, cardiac care and complex or rare cancers. For example, we recently completed an analysis that showed the participating cardiac care centers improve outcomes while reducing cost of care. Members can learn more about these centers through [www.anthem.com](http://www.anthem.com).

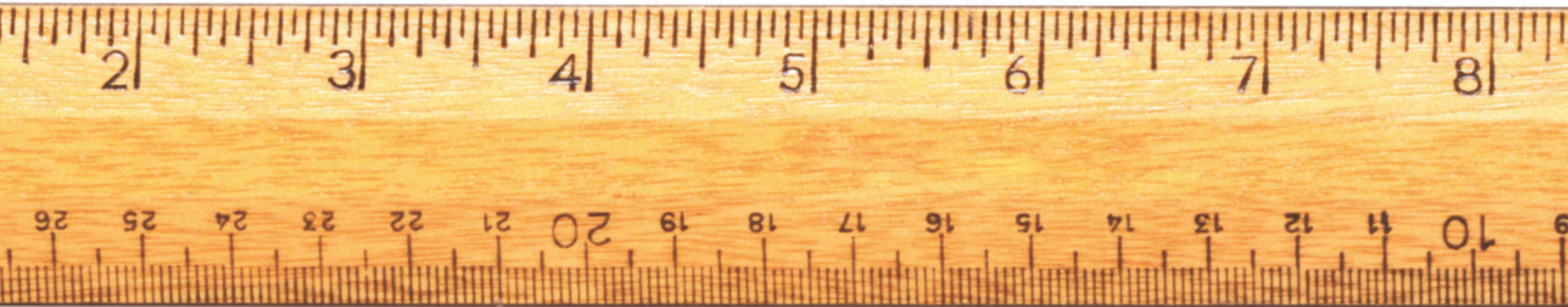
**HEALTHCARE SAFETY SENTINEL SYSTEM**

Through our subsidiary, HealthCore, and in collaboration with leading government and academic institutions, we are pursuing better monitoring of approved drugs and therapies after they enter clinical use. We believe our Healthcare Safety Sentinel System will be capable of detecting safety problems faster than current practices. After launching in late 2009, the system will have the ability to monitor targeted drugs or other health care treatments and report spikes in adverse events – information we hope will allow faster, more informed decision making by health care professionals.



# Value.

This is the yardstick. This is the difference between one company and the next, the ratio between what members or customers get and what they pay. While value can be defined by premium rates and lists of services, it's also often conveyed through the intangibles – such as the passion we bring to affordable new products and services we provide.







**TOUCH POINTS OF INNOVATION**

Among our newest innovations is Anthem Care Comparison<sup>SM</sup>, an online tool that lets members see how their choice of hospitals for a specific procedure may impact their costs. In collaboration with Zagat<sup>®</sup> Survey, we introduced another tool allowing consumers to review their patient-doctor experiences using Zagat's trusted methodology. And in 2008, WellPoint and the WellPoint Foundation launched a collaboration with the X PRIZE Foundation to develop a \$10 million competition for revolutionary new solutions to our nation's most pressing health care challenges.

**THE REWARDS OF SUPERIOR PERFORMANCE**

WellPoint encourages physicians and hospitals to provide the highest quality care through innovative pay-for-performance programs. We offer incentives for meeting or exceeding industry-standard clinical practices that result in better patient care and safety. For instance, we reward hospitals for using programs and technologies that improve medical outcomes, reduce errors and increase member satisfaction. In many states, we were the first to integrate all three of these components – a critical link for driving real change and increasing the value of every health care dollar.

*As chief medical officer of Women's Health Connecticut, the largest women's health care practice in the nation, Dr. Mark DeFrancesco has been a vocal advocate for WellPoint's performance incentive initiatives, which reward physicians and hospitals for following recommended care guidelines that result in better patient outcomes, reduced errors and higher member satisfaction.*



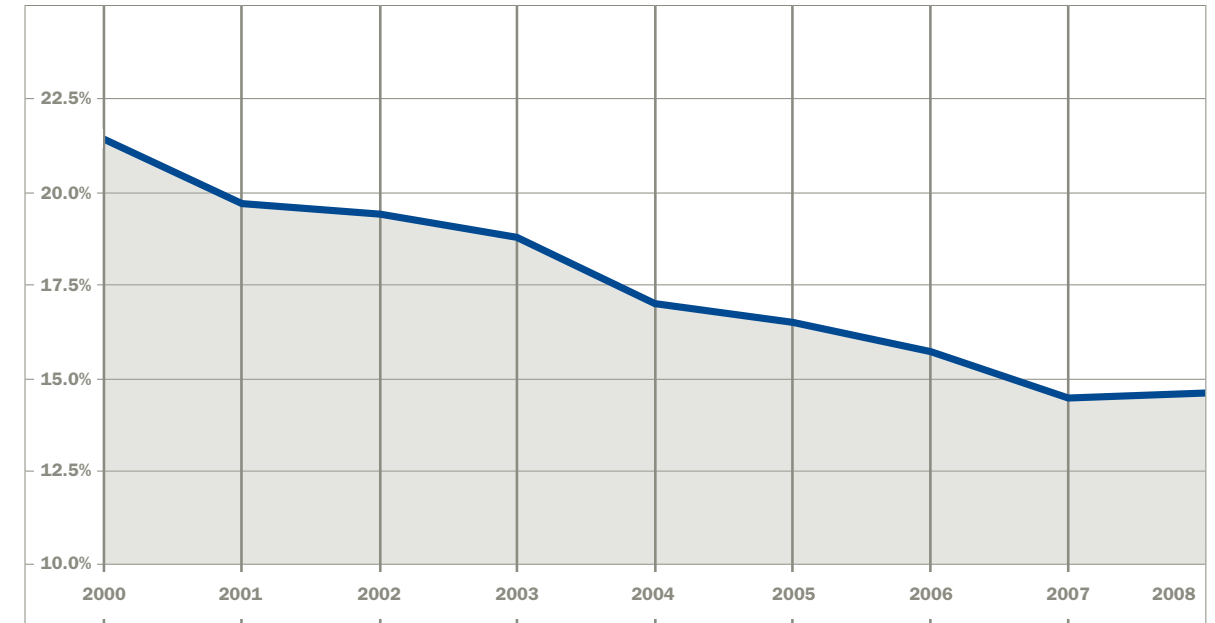




*When we introduced SmartSense® plans in Nevada, independent broker Denise Brown embraced the multiple benefit options and very reasonable rate structures as an innovative solution for affordable quality health insurance. Since then, SmartSense has become a popular offering, matching a choice of benefits with premiums that meet her customers' needs.*

**HEALTH. CARE. VALUE.**

**Selling, General and Administrative Expense Ratio**



**AFFORDABLE PLANS FOR THE INDIVIDUAL**

Too many Americans are uninsured, or lack adequate coverage. Our SmartSense® plan offers a solution that balances affordability with the kinds of benefits consumers most want. Members choose the exact coverage options that fit their needs, at prices lower than many other products. As a result, the plan delivers reliable protection against expensive and unexpected medical bills, while offering a variety of deductibles that allow consumers to select a premium they can afford – with quality and value previously out of their reach.

**DOING MORE WITH LESS**

Lower selling, general and administrative expenses (SG&A) as a percentage of revenues allow us to offer more affordable products. That's why between 2000 and 2008, we reduced our SG&A expense ratio from 21.4 percent to 14.6 percent. At the same time, we invested for growth and launched new programs and products, such as 360° Health® and Prism.™ Although our administrative costs per member are among the industry's lowest, we continue to strive to improve and keep our products and services accessible and affordable.



1 OUT OF 9

Americans are covered by **WellPoint's affiliated health plans**



- BLUE CROSS AND/OR BLUE SHIELD LICENSEES**
- CALIFORNIA
  - COLORADO
  - CONNECTICUT
  - GEORGIA
  - INDIANA
  - KENTUCKY
  - MAINE
  - MISSOURI
  - NEVADA
  - NEW HAMPSHIRE
  - NEW YORK
  - OHIO
  - VIRGINIA
  - WISCONSIN
  - UNICARE
  - NATIONWIDE

The Blue Cross Blue Shield BlueCard® program networks **provide access to more physicians and hospitals** than any other health plan network in the industry.\*

82%

OF NATION'S TOTAL PRIMARY CARE PROVIDERS

\* Blue Cross Blue Shield Association.

94%

OF NATION'S TOTAL HOSPITALS

84%

OF NATION'S TOTAL SPECIALISTS

**BLUE-LICENSED SUBSIDIARIES**



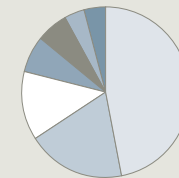
**KEY FINANCIAL METRICS**

\$61.6 billion  
OPERATING REVENUE

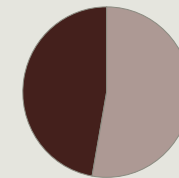
4.1%  
AFTER-TAX MARGIN

\$2.5 billion  
OPERATING CASH FLOW

**CUSTOMER BASE\***



- Local Group 47%
- National Accounts 19%
- BlueCard 13%
- Individual 7%
- State-Sponsored 6%
- Federal Employee Program 4%
- Senior 4%



- Self-Funded 53%
- Fully Insured 47%

\* At December 31, 2008.

**2008 MEDICAL ENROLLMENT GROWTH**

240,000  
**new medical members added in 2008**

**2008 Growth**

NATIONAL	504,000
SENIOR	54,000
FEP	13,000
LOCAL	(31,000)
INDIVIDUAL	(94,000)
STATE SPONSORED	(206,000)
<b>TOTAL</b>	<b>240,000</b>

35M  
MEDICAL MEMBERS

WellPoint's affiliated health plans have some of the most diverse customer bases in the industry.

**Individual**  
Individual customers under age 65 and their covered dependents.

**Local Group**  
Employer customers with less than 1,000 employees eligible to participate as a member in one of our health plans, as well as customers with generally 1,000 or more eligible employees with fewer than 5 percent of eligible employees located outside of the headquarter state.

**National Accounts**  
Generally multi-state employer groups primarily headquartered in a WellPoint service area with 2,500 or more eligible employees, of which at least 5 percent are located outside of the headquarter state.

**Senior**  
Medicare-eligible individual members age 65 and over who have enrolled in Medicare Advantage, a managed care alternative for the Medicare program, or who have purchased Medicare Supplement benefit coverage.

**State-Sponsored**  
Eligible members with state-sponsored managed care alternatives for the Medicaid and State Children's Health Insurance programs that we manage.

**BlueCard®**  
Members of Blue plans not owned by WellPoint who receive health care services in our Blue plan states.

**Specialty**  
We offer Integrated Life, Disability, Vision and Dental products which provide administrative efficiency and enhanced product value.

**Federal Employee Program (FEP)**  
United States government employees and their dependents within our geographic markets through our participation in the national contract between the BCBSA and the U.S. Office of Personnel Management.





America’s health care system is renowned for its premier medical research facilities and life-saving innovations. Yet too many do not have access to it. That’s why we are committed to fixing what is broken without breaking what works – by improving quality, decreasing costs and increasing access.

We believe health care reform should be thoughtful, responsible and sustainable – and must get us on the path to universal coverage. Our efforts toward sustainable reform are focused on opportunities in four areas:

- Quality and Safety
- Cost
- Insurance Market Reform
- Health Care Financing

Meaningful reform must address both quality and cost issues. For many Americans, costs continue to rise without an increase in the quality of care received. By promoting evidence-based medicine, preventive care and transparency, patients will experience better health care outcomes and overall costs will decrease.

We also believe in making the health insurance market work more efficiently so that it offers more choice and extends access for all. All Americans should be able to obtain affordable coverage, but this must be done in a way that doesn’t lead to higher costs and more uninsured. We must work together to create a competitive, flexible marketplace that provides choice. After all, consumers know what’s best for them and their families.

Finally, we support health care financing reforms that increase access in a sustainable manner. Employer-based care should be expanded and individuals who purchase coverage on their own should not face additional taxes. We also support better programs for the most needy, including premium assistance and stronger public-private partnerships focused on getting more Americans insured.

Our goals may be lofty, but the issue is too important to think small. Together, we can expand access, improve quality and optimize costs – for our country, for our children and for our future.

In millions, except per share data	Years ended December 31	08	07
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$	2,183.9	\$ 2,767.9
Investments available-for-sale, at fair value		2,652.8	3,726.3
Other invested assets, current		23.6	40.3
Premium and self-funded receivables		3,042.9	2,870.1
Other receivables		1,546.7	1,162.2
Income tax receivable		159.9	0.9
Securities lending collateral		529.0	854.1
Deferred tax assets, net		779.0	559.6
Other current assets		1,212.2	1,050.4
<b>Total current assets</b>		<b>12,130.0</b>	13,031.8
Long-term investments available-for-sale, at fair value		11,839.1	13,962.4
Other invested assets, long-term		703.2	752.9
Property and equipment, net		1,054.5	995.9
Goodwill		13,461.3	13,435.4
Other intangible assets		8,827.2	9,220.8
Other noncurrent assets		387.9	660.8
<b>Total assets</b>		<b>\$48,403.2</b>	\$52,060.0
<b>Liabilities and shareholders’ equity</b>			
<b>Liabilities</b>			
Current liabilities			
Policy liabilities			
Medical claims payable	\$	6,184.7	\$ 5,788.0
Reserves for future policy benefits		64.5	63.7
Other policyholder liabilities		1,626.8	1,832.2
<b>Total policy liabilities</b>		<b>7,876.0</b>	7,683.9
Unearned income		1,087.7	1,114.6
Accounts payable and accrued expenses		2,856.5	2,909.6
Security trades pending payable		5.8	50.6
Securities lending payable		529.0	854.1
Short-term borrowings		98.0	–
Current portion of long-term debt		909.7	20.4
Other current liabilities		1,657.6	1,755.0
<b>Total current liabilities</b>		<b>15,020.3</b>	14,388.2
Long-term debt, less current portion		7,833.9	9,023.5
Reserves for future policy benefits, noncurrent		664.7	661.9
Deferred tax liability, net		2,098.9	3,004.4
Other noncurrent liabilities		1,353.7	1,991.6
<b>Total liabilities</b>		<b>26,971.5</b>	29,069.6
<b>Shareholders’ equity</b>			
Common stock, par value \$0.01, shares authorized – 900,000,000; shares issued and outstanding: 503,230,575 and 556,212,039		5.0	5.6
Additional paid-in capital		16,843.0	18,441.1
Retained earnings		5,479.4	4,387.6
Accumulated other comprehensive (loss) income		(895.7)	156.1
<b>Total shareholders’ equity</b>		<b>21,431.7</b>	22,990.4
<b>Total liabilities and shareholders’ equity</b>		<b>\$48,403.2</b>	\$52,060.0

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint’s 2008 Annual Report on Form 10-K.



**CONSOLIDATED STATEMENTS OF INCOME**

In millions, except per share data	Years ended December 31	08	07	06
<b>Revenues</b>				
Premiums		\$57,101.0	\$55,865.0	\$51,971.9
Administrative fees		3,836.6	3,673.6	3,594.8
Other revenue		641.6	617.0	613.1
Total operating revenue		61,579.2	60,155.6	56,179.8
Net investment income		851.1	1,001.1	878.7
Net realized (losses) gains on investments		(1,179.2)	11.2	(0.3)
Total revenues		61,251.1	61,167.9	57,058.2
<b>Expenses</b>				
Benefit expense		47,742.4	46,037.2	42,192.0
Selling, general and administrative expense				
Selling expense		1,778.4	1,716.8	1,654.5
General and administrative expense		7,242.1	6,984.7	7,163.2
Total selling, general and administrative expense		9,020.5	8,701.5	8,817.7
Cost of drugs		468.5	432.7	433.2
Interest expense		469.8	447.9	403.5
Amortization of other intangible assets		286.1	290.7	297.4
Impairment of intangible assets		141.4	—	—
Total expenses		58,128.7	55,910.0	52,143.8
<b>Income before income tax expense</b>		<b>3,122.4</b>	5,257.9	4,914.4
Income tax expense		631.7	1,912.5	1,819.5
<b>Net income</b>		<b>\$ 2,490.7</b>	\$ 3,345.4	\$ 3,094.9
<b>Net income per share</b>				
Basic		\$ 4.79	\$ 5.64	\$ 4.93
Diluted		\$ 4.76	\$ 5.56	\$ 4.82

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint's 2008 Annual Report on Form 10-K.

**CONSOLIDATED STATEMENTS OF CASH FLOW**

In millions	Years ended December 31	08	07	06
<b>Operating activities</b>				
Net income		\$ 2,490.7	\$ 3,345.4	\$ 3,094.9
Adjustments to reconcile net income to net cash provided by operating activities				
Net realized losses (gains) on investments		1,179.2	(11.2)	0.3
Loss on disposal of assets		7.2	11.3	1.7
Deferred income taxes		(481.4)	(105.5)	273.7
Amortization, net of accretion		466.3	466.0	471.9
Depreciation expense		105.4	120.2	133.0
Impairment of intangible assets		141.4	—	—
Share-based compensation		156.0	177.1	246.9
Excess tax benefits from share-based compensation		(16.0)	(153.3)	(136.5)
Changes in operating assets and liabilities, net of effect of business combinations				
Receivables, net		(558.7)	(448.6)	(627.8)
Other invested assets, current		103.3	(3.0)	234.9
Other assets		(340.2)	174.4	(362.4)
Policy liabilities		194.9	257.7	852.6
Unearned income		(26.7)	125.5	(69.5)
Accounts payable and accrued expenses		(106.3)	(235.2)	(91.7)
Other liabilities		(797.0)	176.5	134.2
Income taxes		(47.3)	447.3	(112.0)
Other, net		64.6	—	—
<b>Net cash provided by operating activities</b>		<b>2,535.4</b>	4,344.6	4,044.2
<b>Investing activities</b>				
Net proceeds from (purchases of) fixed maturity securities		1,173.3	(184.6)	(801.7)
Net (purchases of) proceeds from equity securities		(244.4)	22.5	516.4
Net purchases of other invested assets		(112.2)	(92.0)	(419.6)
Changes in securities lending collateral		325.1	50.6	485.2
Net purchases of subsidiaries, net of cash acquired		(192.7)	(298.5)	(25.4)
Net purchases of property and equipment		(332.9)	(264.7)	(187.5)
Other, net		—	(2.2)	(24.7)
<b>Net cash provided by (used in) investing activities</b>		<b>616.2</b>	(768.9)	(457.3)
<b>Financing activities</b>				
Net (repayments of) proceeds from commercial paper borrowings		(900.6)	502.8	(306.0)
Proceeds from long-term borrowings		525.0	1,978.3	2,668.2
Net proceeds from short-term borrowings		98.0	—	—
Repayment of long-term borrowings		(38.7)	(509.7)	(2,162.1)
Changes in securities lending payable		(325.1)	(50.6)	(485.2)
Changes in bank overdrafts		44.8	(117.1)	414.3
Repurchase and retirement of common stock		(3,276.2)	(6,151.4)	(4,550.2)
Proceeds from exercise of employee stock options and employee stock purchase plan		121.2	784.5	559.5
Excess tax benefits from share-based compensation		16.0	153.3	136.5
<b>Net cash used in financing activities</b>		<b>(3,735.6)</b>	(3,409.9)	(3,725.0)
Change in cash and cash equivalents		(584.0)	165.8	(138.1)
Cash and cash equivalents at beginning of year		2,767.9	2,602.1	2,740.2
<b>Cash and cash equivalents at end of year</b>		<b>\$ 2,183.9</b>	\$ 2,767.9	\$ 2,602.1

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint's 2008 Annual Report on Form 10-K.



**BOARD OF DIRECTORS**

**Larry C. Glasscock** ● ❖  
Chairman of the Board

**Angela F. Braly** ●  
President and  
Chief Executive Officer

**Lenox D. Baker, Jr., M.D.** ❖  
President,  
Mid-Atlantic Cardiothoracic  
Surgeons, Ltd.

**Susan B. Bayh** ■  
Attorney at Law

**Sheila P. Burke** ◆  
Senior Research Faculty,  
John F. Kennedy School  
of Government,  
Harvard University

**William H.T. Bush** ● ■ ❖  
Chairman,  
Bush O'Donnell & Co., Inc.

**Julie A. Hill** ■ ❖  
Owner of the Hill Company

**Warren Y. Jobe** ▲ ●  
Former Senior Vice President,  
Southern Company

**Victor S. Liss** ▲  
Vice Chairman,  
Trans-Lux Corporation

**William G. Mays** ▲  
President and  
Chief Executive Officer,  
Mays Chemical Company

**Ramiro G. Peru** ▲  
Former Executive  
Vice President and  
Chief Financial Officer,  
Phelps Dodge Corporation

**Jane G. Pisano, Ph.D.** ◆ ❖  
President and Director,  
The Natural History Museum  
of Los Angeles County

**Sen. Donald W. Riegle, Jr.** ◆ ■  
Chairman,  
APCO Government Affairs

**William J. Ryan** ◆ ●  
Chairman,  
TD Banknorth Inc.

**George A. Schaefer, Jr.** ▲  
Former Chairman and CEO,  
Fifth Third Bancorp

**Jackie M. Ward** ◆ ● ■  
Retired CEO,  
Computer Generation  
Incorporated

**John E. Zuccotti** ■  
Chairman,  
Brookfield Properties Corp.  
and of counsel,  
Weil Gotshal & Manges LLP



**EXECUTIVE LEADERSHIP TEAM**

**Angela F. Braly**  
President and  
Chief Executive Officer

**Lori Beer**  
Executive Vice President,  
Chief Information Officer

**Randy L. Brown**  
Executive Vice President  
and Chief Human  
Resources Officer

**John Cannon**  
Executive Vice President,  
General Counsel and  
Corporate Secretary

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

**Bradley M. Fluegel**  
Executive Vice President  
and Chief Strategy and  
External Affairs Officer

**Ken R. Goulet**  
Executive Vice President,  
President and CEO,  
Commercial Business Unit

**Dijuana K. Lewis**  
Executive Vice President,  
President and CEO,  
Comprehensive Health  
Solutions Business Unit

**Randall J. Lewis**  
Executive Vice President,  
Federal Government  
Solutions, Internal Audit and  
Chief Compliance Officer

**Cynthia S. Miller**  
Executive Vice President,  
Chief Actuary and Integration  
Management Officer

**Samuel R. Nussbaum, M.D.**  
Executive Vice President,  
Clinical Health Policy and  
Chief Medical Officer

**Brian A. Sassi**  
Executive Vice President,  
President and CEO,  
Consumer Business Unit



- ▲ Audit Committee
- ◆ Compensation Committee
- Executive Committee
- Governance Committee
- ❖ Planning Committee

Blue symbol indicates committee chair





WellPoint's commitment to corporate and social responsibility inherently aligns with the principles of the company's mission. Through our foundation, our community relations, our associates' volunteerism and sustainability programs, we seek to improve the lives of the people we serve and the health of our communities. Learn more at [www.wellpointfoundation.org](http://www.wellpointfoundation.org).

*IT associate Craig Sheppard, a 21-year WellPoint veteran, helps to put a fresh coat of paint on the Boys and Girls Club of New Haven during WellPoint's 2008 national Community Service Day.*

Through charitable giving programs, community grants and associate volunteerism, the company and its foundation promote WellPoint's commitment to enhance the health and well-being of individuals and families in the communities we serve.

**The WellPoint Foundation**

The WellPoint Foundation is among the largest U.S. corporate foundations and supports programs and initiatives that complement our promise "to simplify the connection between health, care and value." The WellPoint Foundation awarded over \$22 million to more than 150 organizations in 2008, focusing on public health issues such as diabetes, obesity, patient safety, prenatal care, preventive care and the uninsured.

**Associate Giving and Community Service Day**

In 2008, WellPoint associates pledged more than \$16 million during the company's Associate Giving Campaign to support not-for-profit organizations. The WellPoint Foundation's 50 percent match of associate gifts equaled a \$24 million total commitment to our communities. Last year also marked WellPoint's first national Community Service Day, when more than 3,600 associates and their friends and family members joined together for a day of over 220 projects in 31 states.

**Sustainability**

We established 25 regional Green Teams of volunteer associates to advance WellPoint's environmental goals related to using less paper, recycling, increasing energy efficiency and reducing greenhouse gases. We also launched a Personal Sustainability Program to encourage associates to take one small action that brings environmental sustainability into their daily lives.

**Corporate Headquarters**

WellPoint, Inc.  
120 Monument Circle  
Indianapolis, IN 46204-4903  
[www.wellpoint.com](http://www.wellpoint.com)

**Account Questions**

Our transfer agent, Computershare, can help you with a variety of shareholder-related services, including:

- Change of address
- Transfer of stock to another person
- Lost stock certificates
- Additional administrative services

Please include your name, address and telephone number with all correspondence, and specify the most convenient time to contact you.

You can call Computershare toll-free at: (866) 299-9628 Monday through Friday, excluding holidays, from 9 a.m. to 5 p.m. Eastern Time.

Written correspondence can be sent to: WellPoint Shareholder Services c/o Computershare Trust Company, N.A. P.O. Box 43037 Providence, Rhode Island 02940-3037 E-mail: [wellpointinc@computershare.com](mailto:wellpointinc@computershare.com)

**Online Materials**

WellPoint is committed to sustainability practices that reduce its carbon footprint. Please visit [www.wellpoint.com](http://www.wellpoint.com) under the "Investor Info" tab for SEC filings, financial press releases, stock performance and details about upcoming events.

You can also sign up to receive e-mail alerts whenever new information is posted and browse the site to download reports electronically. An electronic version of this report is also available [www.wellpoint.com/annualreport/2008](http://www.wellpoint.com/annualreport/2008).

**Investor and Shareholder Information**

Shareholders may receive, without charge, a copy of WellPoint, Inc.'s Annual Report on Form 10-K, including consolidated financial statements, as filed with the Securities and Exchange Commission (which is WellPoint, Inc.'s Annual Report to Shareholders). WellPoint's Annual Report and other information are also available on WellPoint's Investor Relations Web site at [www.wellpoint.com](http://www.wellpoint.com). To request an Annual Report or additional information, please choose from one of the following:

**Institutional Investors**

WellPoint, Inc.  
Investor Relations Department  
120 Monument Circle  
Indianapolis, Indiana 46204-4903  
(317) 488-6390  
E-mail: [michael.kleinman@wellpoint.com](mailto:michael.kleinman@wellpoint.com)

**Individual Shareholders**

WellPoint, Inc.  
Shareholder Services Department  
120 Monument Circle  
Indianapolis, Indiana 46204-4903  
(800) 985-0999 (toll free)  
E-mail: [shareholder.services@wellpoint.com](mailto:shareholder.services@wellpoint.com)

**Annual Meeting**

The 2009 annual meeting of shareholders of WellPoint, Inc. will be held at 8:00 a.m. Eastern Daylight Time on Wednesday, May 20, 2009, at the Hilton Hotel at 120 West Market Street, Indianapolis, Indiana.

**Market Price of Common Stock**

WellPoint's common stock, par value \$0.01 per share, is listed on the New York Stock Exchange (NYSE) under the symbol "WLP." On February 11, 2009, the closing price on the NYSE was \$43.79. As of February 11, 2009, there were 114,944 shareholders of record of the common stock. The following table presents high and low sales prices for the common stock on the NYSE for the periods indicated.

	High	Low
<b>08</b>		
First Quarter	\$90.00	\$43.02
Second Quarter	57.06	44.30
Third Quarter	57.86	43.18
Fourth Quarter	48.13	27.50
<b>07</b>		
First Quarter	\$84.15	\$73.88
Second Quarter	86.25	77.98
Third Quarter	83.55	72.90
Fourth Quarter	89.95	75.08

**Dividends**

WellPoint, Inc. has not to date paid cash dividends on common stock. The declaration and payment of future dividends will be at the discretion of the Board of Directors.

Design: Coates and Coates. Writing: Lindsay Beaman. Photography: Charlie Simokaitis. Printing: Lithographix.



Products with a mixed sources label support the development of responsible forest management worldwide. The wood comes from Forest Stewardship Council (FSC)-certified well-managed forests, company-controlled sources and/or recycled material. The recycling symbol identifies post-consumer recycled content in these products.

WellPoint and the WellPoint Flag Design are registered marks of WellPoint, Inc. Anthem is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross and Blue Shield names and symbols and BlueCard are registered marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.





WellPoint, Inc.  
120 Monument Circle  
Indianapolis, IN 46204-4903  
[www.wellpoint.com](http://www.wellpoint.com)