



**Taking the Lead**  
Making Health Care Work for Our Customers

  
**WELLPOINT**  
Health.Care.Value.™



The background of the entire page is a solid light blue. In the center, two hands are shown in a gesture of reaching towards each other. The hand on the left is lower and has a white hospital identification band on the wrist. The hand on the right is higher and appears to be reaching down. The text 'It takes a Leader...' is overlaid in white, with 'It takes a' in a smaller font and 'Leader...' in a much larger, bold font.

# It takes a Leader...

## WHAT MAKES US WELLPOINT

WellPoint is committed to improving the lives of the people we serve and the health of our communities. Our more than 37,000 associates work every day to meet the unique needs of our diverse customers and help create the best health care value. Our portfolio of products and services is designed to give customers the ability to choose what works best for them and their families at every stage throughout their lives.



# ...TO UNDERSTAND ...TO APPLY ...TO IMPROVE



As the nation's largest health benefits company—with more than 33 million members in our affiliated health plans, and a total of more than 69 million individuals served through our subsidiaries, WellPoint is uniquely positioned to help drive changes in the health care delivery system that will improve health care value for everyone. We have the opportunity and responsibility to lead change and make health care work for our customers. We're doing so by developing and implementing solutions that help improve the quality of health care, provide choice, expand coverage for consumers and help people live healthy lifestyles. By collaborating with physicians, academic institutions, non-profit organizations, pharmaceutical companies, technology providers and the government, we are forging partnerships necessary to understand the changes needed, to apply and develop solutions that help bring efficiency to the system, and to deliver improved care and better health for consumers.

We are that  
**Leader for our members.**

# We Understand...



624

...CHANGES are under way in the transformation of health care.

Change is an inherent part of progress. Drawing on our in-depth experience, WellPoint is working to drive innovation and help people navigate a changing health care system. Through forums such as [healthychat.com](http://healthychat.com) and [makinghealthcarereformwork.com](http://makinghealthcarereformwork.com), we are leading the way to help people understand the future of health care.



We are  
that **Leader.**





# We Will Apply...

...BEST PRACTICES that result in successful outcomes for everyone.

Even the best want to get better. That's why WellPoint made a long-term commitment to continuously improve the effectiveness and efficiency of everything we do, and we call it Building a Better WellPoint (BABW). BABW will ultimately provide greater health care value at lower costs for the more than 33 million members in our health plans.

We are  
that **Leader.**



A photograph of a baby being examined by a doctor. The baby is lying on a white surface, and a doctor's hands are visible, one holding the baby's chest and the other near the baby's arm. A woman with dark hair is smiling in the background. The text "We Will Improve..." is overlaid in white on a semi-transparent blue background.

**We Will Improve...**



...HEALTH CARE for all our members and be a shining example for the industry.

Through partnerships and pilots, we're blazing a trail to a healthier tomorrow. And by implementing key reform provisions early—such as dependent coverage to age 26—our health plans are helping ensure each person we serve is empowered to live their healthiest life possible. Some call this leadership; we call it a day's work.

We are  
that **Leader.**

# To Our Shareholders, Customers and Communities

**2010 WAS A MOMENTOUS YEAR. HEALTH CARE REFORM IS NOW THE LAW OF THE LAND, AND WELLPOINT IS COMMITTED TO MAKING IT WORK FOR OUR CUSTOMERS, SHAREHOLDERS AND ASSOCIATES. IN FACT, WE MADE GOOD PROGRESS IN 2010, IMPLEMENTING MAJOR PROVISIONS OF HEALTH CARE REFORM, SOME AHEAD OF THE DEADLINES SET IN THE LEGISLATION.**

Of course, health care reform remains a work in progress. Clarity about the programs and their impact will gradually emerge through 2014 and beyond as supporting regulations are finalized, and the new state-run exchanges are established. These developments will truly determine how the new law will affect consumers.

As the industry leader—serving more medical members in the United States than any other health benefits company, with about one in nine Americans a member of one of our affiliated health plans—WellPoint has the responsibility and the opportunity to help lead this change. That leadership builds

on a forward-looking strategy and a solid foundation of operational excellence.

We performed well in 2010, delivering full-year 2010 adjusted earnings per share (EPS) of \$6.74, which was above our original guidance and nearly 11 percent above our 2009 adjusted EPS of \$6.09. We delivered these results despite a weak economy and high unemployment rates, which continued to impact the way Americans access health care. We exceeded our goals in many areas and provided a significant return of capital to shareholders following the 2009 sale of our pharmacy benefits management company to Express Scripts, Inc.

Although our enrollment declined by 1 percent during 2010, that decline was primarily due to the strategic transfer of our UniCare business in Texas and Illinois to another Blue Cross and Blue Shield plan. In our Blue-branded and government-sponsored businesses, we achieved organic growth of 169,000 members, or 0.5 percent, collectively.

At the same time, we used our capital to reinvest in our businesses and enhance returns for shareholders. In February 2011, we were pleased to announce that WellPoint will begin paying a dividend on our stock for the first time in the company's history. The declaration by the board of a \$0.25 per share quarterly dividend, along with the expansion of our share repurchase program, is an expression of confidence in our strategy, future growth outlook and cash flow.

Finally, over the course of 2010, we refreshed our corporate strategy and implemented organizational changes that enhance our ability to drive increased affordability for our customers in the changing health care marketplace. We believe this strategy supports a long-term earnings per share growth rate target of at least 10 percent.

Let me outline for you how we are positioning WellPoint for future success.





ANGELA F. BRALY

Chair, President and Chief Executive Officer

**BUILD ON STRENGTH** We believe we will win in the new marketplace by building on our strengths in the health benefits industry, including increasing market share in growth businesses, nurturing investments in stable businesses and optimizing near-term potential in others.

Starting January 1, 2011, reform requires that at least 80 or 85 percent of premiums paid go toward medical care and some quality programs for certain products. This means it is very important to operate with administrative efficiency while continuing to provide good customer service. During 2010, we reduced our selling, general and administrative expenses by \$271 million, or 3 percent, and we currently have one of the most competitive operating cost structures in our industry. We are committed to further improving our position through our meaningful continuous improvement efforts.

Through our Blue Cross and Blue Shield affiliation, we offer access to the

largest network of doctors and hospitals in the nation, with a leading cost structure, innovative medical management programs and capabilities, and strong customer service. These assets have been the primary driver of our continued success in National Accounts. In fact, we expect 2011 to be the tenth consecutive year of enrollment growth in our National business.

Another market in which we continue to grow is the Senior business. We recently completed an annual open enrollment period for our Medicare Advantage products, and we expect to achieve moderate growth in all of our Senior products in 2011. More importantly, 2011 marked the beginning of a significant demographic change in our nation with the first baby boomers turning 65. Over the next 20 years, an estimated 1 million baby boomers will age into the Senior market each year in our Blue states. Our Blue Cross and Blue Shield brand name is particularly strong with this group of consumers. This

presents a substantial growth opportunity for us, and we are well-positioned to benefit from this movement.

There is also significant growth potential in the State Sponsored market. An estimated 20 million individuals are expected to enroll in Medicaid or related state programs over the next decade as a result of changes in program eligibility. States are also increasingly evaluating the benefits that managed care can bring to their Medicaid programs. Medicaid managed care can be a positive solution for many states, as health plans are often able to lower state Medicaid costs while improving the quality of care for program beneficiaries.

Given our strength with employer-sponsored plans, the diversity of our business and geography, the growth opportunities we see in the Senior and State Sponsored markets, the potential for an improving economy and other industry changes, we are optimistic that we can grow membership organically over the next several years.

We are optimistic about the future. We have the right strategy, structure and people to lead change and win by making the health care system work for our customers, shareholders and associates.

Premiums are a reflection of the underlying cost of providing health care benefits to our members. We continue to implement innovative programs designed to lower costs while improving the quality of care. This year, the nationwide expansion of our Anthem Care Comparison online tool gives consumers increased transparency into the cost and quality of health care services.

We are taking a leadership role in the area of payment innovation, having introduced a number of new reimbursement models throughout 2010. We are working with a number of provider organizations in accountable care organization (ACO) pilot programs and patient-centered medical home programs to help modernize and increase the coordination of care for our members.

In this report, you will read about many other initiatives that will enable us to continue powering healthier tomorrows, including new ways of partnering with doctors and other health care providers to pay for

value in health care rather than volume, as well as many programs designed to help our healthy members stay well, and to help our members with chronic illness effectively manage their conditions.

**EXPAND WITH PURPOSE** Innovation is driving our mission to improve the lives of the people we serve and the health of our communities. With health care costs now constituting one-sixth of our nation's Gross Domestic Product and rising, we will continue to look for ways to make health care more affordable as we continue to grow over the long term.

As we look to expand with purpose in the years to come, we will focus on three key opportunities: 1) Helping consumers live better by expanding and reinventing access to "healthy care" services; 2) Using a disciplined approach to create a robust portfolio of future ventures; and 3) Exporting and expanding our leading capabilities and assets into international markets.

I want to thank our more than 37,000 associates for their hard work and dedication to our customers in 2010. Their efforts enabled us to execute on our plans and exceed our goals.

I also want to thank you, our shareholders, for your continued loyalty and support during a historic year for our industry. We remain committed to earning good returns for you on your investments.

We are optimistic about the future. We have the right strategy, structure and people to lead change and win by making the health care system work for our customers, shareholders and associates.

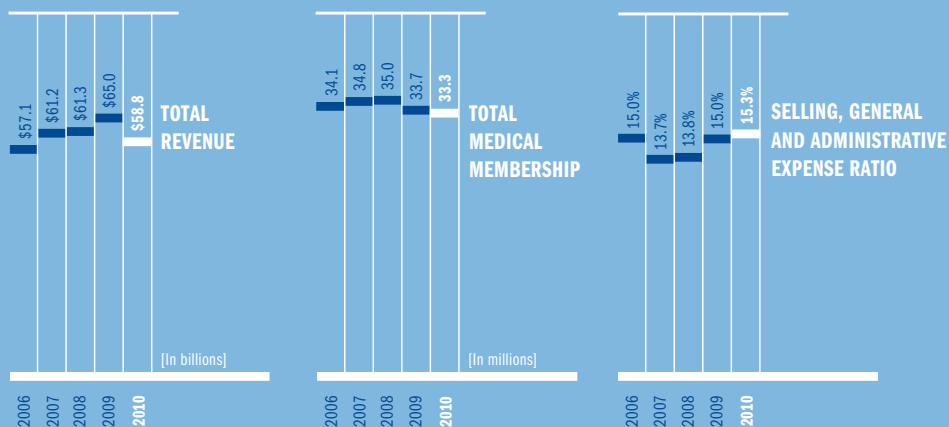


Angela F. Braly  
Chair, President and CEO



# Financial and Membership Highlights

The information presented below is as reported in WellPoint's 2010 Annual Report on Form 10-K.



	2010	2009	2008
<i>(dollars in millions, except per share data)</i>			
<b>Operating Results</b>			
Total operating revenue	\$ 57,843.8	\$ 60,828.6	\$ 61,579.2
Total revenue	58,801.8	65,028.1	61,251.1
Net income	2,887.1	4,745.9	2,490.7
<b>Earnings Per Share</b>			
Basic net income	\$ 7.03	\$ 9.96	\$ 4.79
Diluted net income	6.94	9.88	4.76
<b>Balance Sheet Information</b>			
Total assets	\$ 50,166.9	\$ 52,125.4	\$ 48,403.2
Total liabilities	26,354.3	27,262.1	26,971.5
Total shareholders' equity	23,812.6	24,863.3	21,431.7
<b>Medical Membership (000s)</b>			
Commercial	26,959	27,356	28,304
Consumer	4,917	4,923	5,352
Other	1,447	1,391	1,393
Total medical membership	33,323	33,670	35,049
<b>Customer Type</b>			
Local Group	15,216	15,643	16,632
Individual	1,905	2,131	2,272
National:			
National Accounts	7,029	6,813	6,720
BlueCard	4,711	4,744	4,736
Total National	11,740	11,557	11,456
Senior	1,259	1,215	1,304
State-Sponsored	1,756	1,733	1,992
FEP	1,447	1,391	1,393
Total medical membership by customer type	33,323	33,670	35,049
<b>Funding Arrangement</b>			
Self-Funded	19,590	18,236	18,520
Fully-Insured	13,733	15,434	16,529
Total medical membership by funding arrangement	33,323	33,670	35,049
<b>Other Membership</b>			
Behavioral health	23,963	22,965	23,568
Life and disability	5,201	5,393	5,477
Dental	4,007	4,284	4,560
Managed dental	4,272	3,949	—
Vision	3,508	3,088	2,614
Medicare Part D	1,248	1,509	1,870

Note 1: 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 2010 Annual Report on Form 10-K.

Note 2: Certain prior year amounts have been reclassified to conform to current year presentation.

Note 3: 2009 Total Revenue, Net Income and Earnings Per Share amounts include a gain on the sale of the NextRx Pharmacy benefit management subsidiaries.



are covered  
by WellPoint's  
affiliated  
health plans

## WellPoint at a Glance

WellPoint works to simplify the connection between Health, Care and Value. We help to improve the health of our communities, deliver better care to members, and provide greater value to our customers and shareholders. WellPoint is the nation's largest health benefits company in terms of medical enrollment, with more than 33 million members in our affiliated health plans, and a total of more than 69 million individuals served through our subsidiaries.

**Key  
Financial  
Metrics:**

**\$57.8**

Operating Revenue  
(dollars in billions)

**15.3%**

Selling, General and  
Administrative Expense Ratio

**33.3** Million

Medical Members

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

**83.2%**

Benefit Expense Ratio

**\$185\***

Claims and Administered Benefits  
(dollars in billions)

\*Approximate total claims paid for commercial and consumer business, fully insured and self-funded; the Federal Employee Program; and claims administered through our National Government Services business unit.

**Customer Base  
in Affiliated Plans:**

**Individual**

Individual customers under age 65 and their covered dependents.

**Local Group**

Employer customers with less than 5% of eligible employees located outside of the headquarter state, as well as customers with up to 5,000 eligible employees.

**National Accounts**

Generally multi-state employer groups primarily headquartered in a WellPoint service area with at least 5% of the eligible employees located outside of the headquarter state and with more than 5,000 eligible employees. Some exceptions are allowed based on broker relationships.

**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®**

BlueCard host members represent enrollees of Blue Cross and/or Blue Shield plans not owned by WellPoint who receive health care services in our Blue Plan markets.

**Federal Employee Program (FEP)**

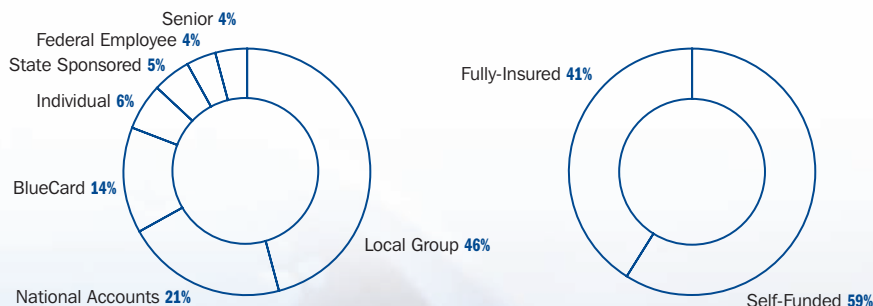
United States government employees and their dependents within our geographic markets through our participation in the national contract between the Blue Cross Blue Shield Association and the U.S. Office of Personnel Management.

**Specialty**

Our plans offer Behavioral Health, Life, Disability, Dental and Vision products which provide administrative efficiency and enhanced product value.



**Blue Licensed Subsidiaries:**



**Customer Base:**

2010 Medical Membership (in millions)	2010 Specialty Membership
Local Group	Behavioral Health 24.0
National Accounts (including BlueCard)	Life and Disability 5.2
Individual	Dental 4.0
State Sponsored	Managed Dental (Including DeCare) 4.3
Federal Employee Program	Vision 3.5
Senior	Medicare Part D 1.2

**Blue Cross and/or Blue Cross Blue Shield Licensees\*:**

California	Indiana	Nevada	Virginia
Colorado	Kentucky	New Hampshire	Wisconsin
Connecticut	Maine	New York	
Georgia	Missouri	Ohio	

\*Service areas include these states and/or portions of these states

**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.

**Values:** Customer First  
Integrity  
Personal Accountability for Excellence  
One Company, One Team  
Continuous Improvement

# It takes a Leader...

...to help our members **STAY WELL** and prevent illness.

**ADDRESSING HEALTH EQUITIES** WellPoint received a \$400,000 grant to expand the health equities program it began in California and Georgia to New York, Ohio and Virginia. Support for this project was provided by a grant from the Robert Wood Johnson Foundation's Finding Answers: Disparities Research for Change program. The project is testing ways to improve diabetes self-management by offering financial rewards and culturally tailored health education information to African-American and Hispanic members in WellPoint's affiliated health plans.

**ANTHEM HEALTH REWARDS** Incentives are powerful and effective motivators. Our customers understand this, and have asked us to create products that will encourage healthier lifestyles. In response, our health plans introduced Anthem Health Rewards—a product that enables customers to provide their employees with a variety of incentives when they complete a health risk assessment and/or participate in health and wellness programs. Anthem Health Rewards is another example of our commitment to address rising health care costs.

**TEXT4BABY** Today, technology links consumers with valuable health information. As a sponsor of text4baby, WellPoint supports this nationwide mobile-health initiative for expectant moms, designed to help improve maternal care and reduce infant mortality. Founded by the National Healthy Mothers, Healthy Babies Coalition, text4baby provides free text messages to moms-to-be featuring tips and reminders to encourage a healthy pregnancy. More than 5,000 women have enrolled in text4baby in Virginia, where we've collaborated with the Virginia Department of Health.

**10-DAY BOOST** We want to help people get healthy, stay healthy and have a healthy impact on their family and friends and on the health care system itself. Sometimes people just need a reminder on the simple things they can do to live a healthy lifestyle. The 10-Day Boost program on Facebook, developed by our health plans, helps people kick-start their health and fitness goals with daily tips from Bob Harper of *The Biggest Loser*. Each day a new video featuring Bob Harper gives the basics to healthier living.





**Dr. Abernathy**

Pediatrician Dr. Ted Abernathy has seen many positive changes in health care, especially with immunizations and early detection. He acknowledges the importance of the Anthem free well-baby exam, a physical exam and developmental evaluation, along with anticipatory guidance for parents. A valued provider partner, and treasure to his patients and parents, he plans to continue practicing for many years.

**Preventive care is integral to helping members stay healthy.**

# It takes a Leader...

...to help our members **SUCCESSFULLY MANAGE** chronic illness.

**VIDEO CHAT** In 2010, we launched an innovative program that uses interactive technology to enable face-to-face communication with health plan members via their computers. Through video chat, our nurse case managers have the ability to pick up on important non-verbal cues from a member, such as mood, disposition, and body language. We can check to see that a member is using his inhaler correctly, for example. Visual displays can be important factors in helping members better manage their health.

**JOURNEY FORWARD** Medical progress has led to more people surviving cancer, and understanding what comes after treatment can be confusing. WellPoint collaborated with the UCLA Cancer Survivorship Center, the National Coalition for Cancer Survivorship and Genentech to create Journey Forward. Journey Forward aims to improve care coordination and communication between survivors and their health care teams. It gives patients tools to enable productive discussions about important post-treatment issues such as survivorship care planning.

**SOCIAL WORK CARE MANAGEMENT** Helping address a member's psychosocial and coping needs is an integral part of effective medical management. Our social workers, working in tandem with behavioral health professionals, provide members with psychiatric, emotional, social, and physical support for daily living. They do everything from helping arrange transportation and food services to performing mental status and safety assessments. This integrated program promotes a comprehensive, holistic approach to supporting member health from a medical and behavioral perspective.

**REMOTE MONITORING** Using the latest technology, we've launched a program that provides wireless remote monitoring for members with congestive heart failure to help them better manage their condition and avoid unnecessary hospital readmissions. Weight and blood pressure changes can be key indicators of potential health risks in members with heart failure. Equipped with an in-home wireless scale and blood pressure cuff that link to daily data feeds, members can benefit from real-time management and proactive intervention.





**Gretchen and Sharon**

Nurse case manager Gretchen assists members discharged from the hospital. She helped Steve care for his wife, Sharon, who experienced complications from Crohn's disease, resulting in multiple hospital admissions. Gretchen talked Steve through everything he needed to better help take care of his wife at home. Steve says Gretchen demonstrated how health insurance is more than paying premiums—it's human, caring service.

**Assisting members in taking control of their health helps to better manage chronic disease.**

# It takes a Leader...

...to help DRIVE COSTS OUT of the system.

**REDUCING ADMINISTRATIVE COSTS** Proving that you truly can do more with less, in 2010 we reduced our total administrative expenses by 3 percent, or \$271 million, while also improving key customer service and operational efficiency measurements. By leveraging technology to auto-adjudicate claims, securely transfer medical information and accelerate payments, we are creating leaner, faster benefit systems and improved experiences for members, providers and employers alike. The result is improved outcomes—from the back office to the doctor's office.

**PAYMENT INNOVATION** We are actively engaged in assessing Accountable Care Organizations (ACOs) as part of our payment innovation strategy to help transform the current delivery model and provide members with access to the right care, at the right time and at the right cost. We have initiated discussions around ACOs in a number of states and plan for more. As a model, ACOs seek to encourage physicians, hospitals, and insurance companies to work together to better coordinate care, improve quality, and reduce costs. Our industry-leading work with ACOs is another way we are collaborating to find innovative solutions to slow the rise in health care costs and improve value.

**EMERGENCY ROOM UTILIZATION MANAGEMENT** Our Emergency Room Utilization Management initiative utilizes numerous communication channels, including the Web, Google Maps directories, interactive, telephonic voice-recognition technology, and useful brochures to help educate members about possible alternatives to visiting the emergency room for routine care. Providing information about available resources within our health plan networks, such as urgent care centers, after-hours providers and retail health clinics, can offer members more choice in finding timely and appropriate care at a lower cost.

**EFFICIENT MEDICAID SOLUTIONS** As states prepare for unprecedented Medicaid growth due to health care reform, the need for Medicaid efficiency has never been greater. WellPoint's State Sponsored Business (SSB) has created opportunities to partner with states or other health plans to provide them with consultative solutions based on their unique needs. Whether the concern is reducing premature births or a growing chronically ill population, SSB has the ability to design programs that are scalable and provide greater access to resources, expertise and efficiencies to better manage care for a growing sector of health care consumers.



**Bernice and Gladys**

Nurse case manager Gladys helps members who aren't managing their diseases properly. Bernice, a member with asthma, high blood pressure, congestive heart failure and diabetes, fell into this category. Gladys helped Bernice get on track. After getting sick at church, Bernice started managing her diseases and took Gladys' advice by starting each day with a positive affirmation. She's healthier and happier today.

**By proactively managing chronic disease, we are helping to better manage cost.**



# It takes a Leader...

...to help improve health care **QUALITY** for our customers.

**INTEGRATED RESEARCH NETWORK** WellPoint is working with physicians and other providers through the Integrated Research Network® (IRN), created by our subsidiary, HealthCore, to conduct research to improve the health of members in our affiliated health plans. The IRN® will allow for the merger of prospective data collected by physicians and observational data derived from medical and pharmacy claims to provide us with more realistic information about the clinical efficacy, cost-effectiveness and safety of medical products and devices in different populations. HealthCore intends to publish as many of the IRN® studies as possible to share these results with the health care community.

**PATIENT SAFETY FIRST** Providing access to safe and effective health care requires collaboration with our health care partners. Our California health plan teamed with the state's three regional hospital associations and the National Health Foundation to launch a three-year, \$6 million initiative aimed at improving the quality of patient care in a cost-effective manner. *Patient Safety First...a California Partnership for Health* includes more than 150 hospitals and over 1,600 clinical participants who have committed to share best practices in patient safety.

**MYHEALTH ADVANTAGE** Through proactive, targeted messaging to members and physicians, the MyHealth Advantage program is improving quality and reducing the cost of care. Commercial members who received MyHealth Advantage as a component of their disease management program were 41 percent more likely to receive care compliant with clinical guidelines. This improved care resulted in incremental cost-of-care savings of \$0.49 per member per month. Savings are nearly twice as high in a senior population.

**OUTCOMES-BASED FORMULARY** Our outcomes-based formulary uses "real world" data to make formulary decisions for our members which are intended to help improve clinical health outcomes, quality of life, and productivity while reducing overall pharmacy and medical costs. Our researchers evaluate outcomes that matter to patients by critically reviewing clinical trial data, as well as data on how drugs perform after use in broader populations. Our evaluation of two drugs used to treat chronic obstructive pulmonary disease showed that these drugs resulted in fewer emergency room visits and hospitalizations.



**Amy and Teresa**

Amy, a nurse case manager who works with neonatal/pediatric patients, is passionate about helping members. Teresa, the mother of a premature baby, whose husband had a stroke two weeks after the baby came home, says Amy's help was priceless. Amy provided vital information and resources needed to care for the fragile newborn. Teresa knows Amy enjoys what she does for a living due to her personalized care giving.

**Ensuring access to medical resources helps to deliver quality health care to our customers.**

# It takes a **Leader...**

...when we take care of our CUSTOMERS,  
we take care of our SHAREHOLDERS.

## **OUR MISSION**

WellPoint's mission is to improve the lives of the people we serve and the health of our communities.

## **OUR OBJECTIVES**

- Create the best health care value in our industry.
- Excel at day-to-day execution.
- Capitalize on new opportunities to drive growth.

## **OUR CORE VALUES**

- Customer First
- Integrity
- Personal Accountability for Excellence
- One Company, One Team
- Continuous Improvement





# It takes **Commitment...**





A close-up photograph of a doctor in a white lab coat using a stethoscope to listen to the trunk of a tree. The tree trunk is light-colored with several dark, circular knots or scars. The background is a blurred green field under bright sunlight.

...to have corporate and social RESPONSIBILITY align inherently with the principles of the company's mission.

We are committed to living out our mission of improving the lives of the people we serve and the health of our communities. We do this through the work of each and every one of our associates, through the philanthropic efforts of the WellPoint Foundation, through our diversity and inclusion initiatives, and by implementing environmentally responsible business practices.



We work to improve the lives of the people we serve and the health of our communities through our foundation, our community relations, our associates' volunteerism and sustainability programs.

**WELLPOINT FOUNDATION AND CORPORATE SOCIAL RESPONSIBILITY** As a company committed to transforming our industry, we care deeply about the future of the communities we serve and are proud that our company and associates support organizations that share our common goal of addressing preventable health concerns through strategic choices. As dedicated public health partners, WellPoint gives generously through annual corporate contributions and the WellPoint Foundation, our philanthropic arm. The Foundation promotes our inherent commitment to enhance the health and well-being of individuals and families in communities we serve.

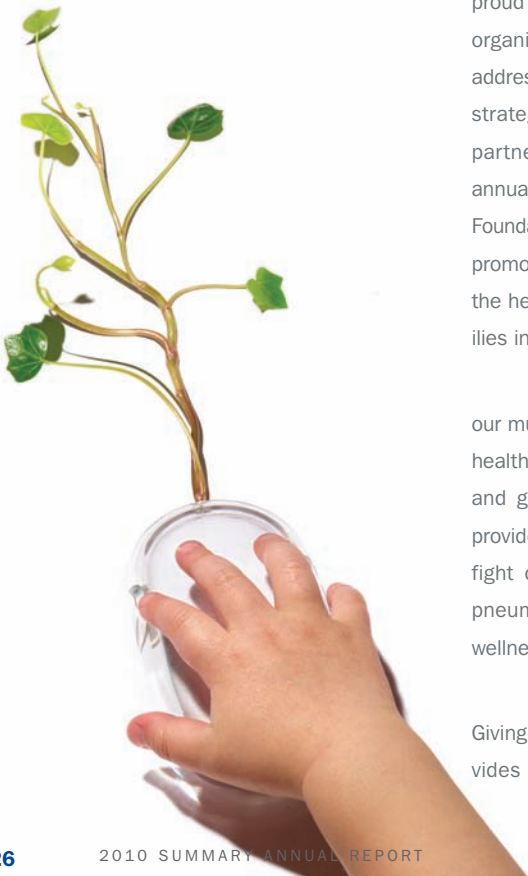
We focus our efforts on Healthy Generations, our multi-generational initiative to improve public health. Through local partnerships, sponsorships and grants, Healthy Generations is working to provide prenatal care, address health disparities, fight chronic diseases, improve influenza and pneumococcal vaccination rates and promote wellness.

WellPoint also supports an annual Associate Giving Campaign, for which the Foundation provides a 50 percent match of our associates'

campaign pledges to six national charities. In 2010, the campaign raised nearly \$6 million in associate pledges and WellPoint Foundation matching gifts.

To learn more about WellPoint's corporate philanthropy, visit [www.wellpointfoundation.org](http://www.wellpointfoundation.org).

**COMMUNITY SERVICE DAY** Our company is strengthened by the local presence of our affiliated health plans and our associates who live and work in the communities we serve. Through our annual Community Service Day, WellPoint associates volunteer their time to complete meaningful projects for local organizations and charities in their states.



In 2010, thousands of WellPoint associates, family and friends, registered to participate in 207 projects across 29 states and more than 100 cities. The annual event beautified dozens of green spaces; created community gardens in areas with limited access to fresh fruits and vegetables; painted and refurbished the facilities of community organizations; created more than 15 murals; served at nearly 40 food banks; and led hundreds of children and seniors in more than 15 Fun & Fit Day activities.

**GOING GREEN** Being a good corporate citizen means serving our customers while looking out for the next generation. Through corporate initiatives and locally driven “green teams,” we are working to improve our environment and eliminate waste. Our associates make a difference every day with environmentally safe, local and enterprise-wide recycling initiatives of paper, batteries, toner and ink, electronics, aluminum cans and more. In 2010, we launched two additional Green Office initiatives focused on eliminating unnecessary printing; and saving energy through our computer power policy which puts computers in a “sleep” mode during times of



non-use. Combined, we expect the programs to produce \$5 million in annual savings, eliminate more than 15 million pounds of greenhouse gases (a 47 percent reduction) and save thousands of trees.

**DIVERSITY & INCLUSION** At WellPoint, diversity and inclusion isn't just a strategy—it's the way we do business. WellPoint associates are better able to help us achieve our mission because they reflect the diversity of our employers, members, physicians and shareholders, as well as the multicultural communities in which they live and work. We take great pride in creating a culture in which individual ideas, perspectives and experiences are valued and respected.



As part of our commitment to building a world-class workforce, we partner with professional organizations, colleges and universities—and with our seven associate resource groups—to actively recruit, retain and develop diverse professionals.

One key focal point of our diversity efforts is our commitment to work with a wide range of suppliers. We seek to include diverse suppliers in each bidding opportunity, and our supplier diversity program has continued to grow each year to include not only minority- and women-owned suppliers, but also firms owned by veterans and lesbian, gay, bisexual and transgender (LGBT) entrepreneurs. In 2010, WellPoint also became a founding partner of the US Business Leadership Network (USBLN) Supplier Diversity Program, which supports vendors with disabilities.

# Consolidated Balance Sheets

(In millions, except share data)	December 31	
	2010	2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,788.8	\$ 4,816.1
Investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$15,545.4 and \$15,203.1)	16,069.5	15,696.9
Equity securities (cost of \$861.4 and \$799.1)	1,236.2	1,010.7
Other invested assets, current	21.1	26.5
Accrued investment income	177.4	172.8
Premium and self-funded receivables	3,041.6	3,281.0
Other receivables	878.6	879.5
Income tax receivable	32.3	-
Securities lending collateral	900.3	394.8
Deferred tax assets, net	460.9	523.8
Other current assets	1,534.1	1,268.6
Total current assets	26,140.8	28,070.7
Long-term investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$215.8 and \$223.0)	221.8	230.4
Equity securities (cost of \$32.8 and \$33.4)	33.4	32.5
Other invested assets, long-term	865.4	775.3
Property and equipment, net	1,155.5	1,099.6
Goodwill	13,264.9	13,264.6
Other intangible assets	7,996.8	8,259.3
Other noncurrent assets	488.3	393.0
Total assets	\$50,166.9	\$52,125.4
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Policy liabilities:		
Medical claims payable	\$ 4,852.4	\$ 5,450.5
Reserves for future policy benefits	56.4	62.6
Other policyholder liabilities	1,909.1	1,617.6
Total policy liabilities	6,817.9	7,130.7
Unearned income	891.4	1,050.0
Accounts payable and accrued expenses	2,942.2	2,994.1
Income tax payable	-	1,228.7
Security trades pending payable	33.3	37.6
Securities lending payable	901.5	396.6
Short-term borrowings	100.0	-
Current portion of long-term debt	705.9	60.8
Other current liabilities	1,617.3	1,775.2
Total current liabilities	14,009.5	14,673.7
Long-term debt, less current portion	8,147.8	8,338.3
Reserves for future policy benefits, noncurrent	646.7	664.6
Deferred tax liabilities, net	2,586.9	2,470.4
Other noncurrent liabilities	963.4	1,115.1
Total liabilities	26,354.3	27,262.1
Commitments and contingencies—Note 14		
<b>Shareholders' equity</b>		
Preferred stock, without par value, shares authorized—100,000,000; shares issued and outstanding—none		
Common stock, par value \$0.01, shares authorized—900,000,000; shares issued and outstanding: 377,736,929 and 449,789,672	3.8	4.5
Additional paid-in capital	12,862.6	15,192.2
Retained earnings	10,721.6	9,598.5
Accumulated other comprehensive income	224.6	68.1
Total shareholders' equity	23,812.6	24,863.3
Total liabilities and shareholders' equity	\$50,166.9	\$52,125.4

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint's 2010 Annual Report on Form 10-K.



# Consolidated Statements of Income

(In millions, except per share data)	Years Ended December 31		
	2010	2009	2008
<b>Revenues</b>			
Premiums	\$53,973.6	\$56,382.0	\$57,101.0
Administrative fees	3,833.7	3,840.3	3,836.6
Other revenue	36.5	606.3	641.6
Total operating revenue	57,843.8	60,828.6	61,579.2
Net investment income	803.3	801.0	851.1
Gain on sale of business	—	3,792.3	—
Net realized gains on investments	194.1	56.4	28.7
Other-than-temporary impairment losses on investments:			
Total other-than-temporary impairment losses on investments	(70.8)	(538.4)	(1,207.9)
Portion of other-than-temporary impairment losses recognized in other comprehensive income	31.4	88.2	—
Other-than-temporary impairment losses recognized in income	(39.4)	(450.2)	(1,207.9)
Total revenues	58,801.8	65,028.1	61,251.1
<b>Expenses</b>			
Benefit expense	44,926.9	47,119.8	48,265.7
Selling, general and administrative expense:			
Selling expense	1,610.3	1,685.5	1,778.4
General and administrative expense	7,229.1	7,424.9	6,718.8
Total selling, general and administrative expense	8,839.4	9,110.4	8,497.2
Cost of drugs	—	419.0	468.5
Interest expense	418.9	447.4	469.8
Amortization of other intangible assets	241.7	266.0	286.1
Impairment of goodwill and other intangible assets	21.1	262.5	141.4
Total expenses	54,448.0	57,625.1	58,128.7
Income before income tax expense	4,353.8	7,403.0	3,122.4
Income tax expense	1,466.7	2,657.1	631.7
Net income	\$ 2,887.1	\$ 4,745.9	\$ 2,490.7
<b>Net income per share</b>			
Basic	\$ 7.03	\$ 9.96	\$ 4.79
Diluted	\$ 6.94	\$ 9.88	\$ 4.76

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint's 2010 Annual Report on Form 10-K.

# Consolidated Statements of Cash Flow

(In millions)	Years Ended December 31		
	2010	2009	2008
<b>Operating activities</b>			
Net income	\$ 2,887.1	\$ 4,745.9	\$ 2,490.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Net realized gains on investments	(194.1)	(56.4)	(28.7)
Other-than-temporary impairment losses recognized in income	39.4	450.2	1,207.9
Loss on disposal of assets	1.9	16.4	7.2
Gain on sale of business	—	(3,792.3)	—
Deferred income taxes	101.8	61.3	(481.4)
Amortization, net of accretion	497.7	446.4	466.3
Depreciation expense	103.1	107.1	105.4
Impairment of goodwill and other intangible assets	21.1	262.5	141.4
Impairment of property and equipment	95.3	—	—
Share-based compensation	136.0	153.6	156.0
Excess tax benefits from share-based compensation	(28.1)	(9.6)	(16.0)
Changes in operating assets and liabilities, net of effect of business combinations and divestitures:			
Receivables, net	109.7	(484.2)	(558.7)
Other invested assets, current	5.1	(62.5)	103.3
Other assets	(320.1)	(119.3)	(340.2)
Policy liabilities	(330.7)	(748.2)	194.9
Unearned income	(158.6)	(27.3)	(26.7)
Accounts payable and accrued expenses	(58.2)	952.8	(106.3)
Other liabilities	(208.4)	(248.8)	(797.0)
Income taxes	(1,239.8)	1,391.4	(47.3)
Other, net	(43.5)	(0.1)	64.6
Net cash provided by operating activities	1,416.7	3,038.9	2,535.4
<b>Investing activities</b>			
Purchases of fixed maturity securities	(10,567.2)	(7,186.8)	(5,691.2)
Proceeds from fixed maturity securities:			
Sales	7,215.1	4,096.6	5,194.9
Maturities, calls and redemptions	3,321.7	1,551.7	1,669.6
Purchases of equity securities	(350.9)	(318.9)	(1,327.5)
Proceeds from sales of equity securities	197.9	577.3	1,083.1
Purchases of other invested assets	(91.4)	(49.0)	(145.0)
Proceeds from sales of other invested assets	34.5	3.5	32.8
Changes in securities lending collateral	(504.8)	132.4	325.1
Purchases of subsidiaries, net of cash acquired	(0.3)	(66.3)	(197.7)
Proceeds from sales of subsidiaries, net of cash sold	—	4,672.3	5.0
Purchases of property and equipment	(451.4)	(378.4)	(345.6)
Proceeds from sale of property and equipment	0.8	0.4	12.7
Other, net	(75.5)	(32.0)	—
Net cash (used in) provided by investing activities	(1,271.5)	3,002.8	616.2
<b>Financing activities</b>			
Net repayments of commercial paper borrowings	(164.4)	(397.0)	(900.6)
Proceeds from long-term borrowings	1,088.5	990.3	525.0
Net proceeds from (repayments of) short-term borrowings	100.0	(98.0)	98.0
Repayment of long-term borrowings	(481.7)	(919.3)	(38.7)
Changes in securities lending payable	504.9	(132.4)	(325.1)
Changes in bank overdrafts	(28.0)	(344.1)	44.8
Repurchase and retirement of common stock	(4,360.3)	(2,638.4)	(3,276.2)
Proceeds from exercise of employee stock options and employee stock purchase plan	143.6	126.5	121.2
Excess tax benefits from share-based compensation	28.1	9.6	16.0
Net cash used in financing activities	(3,169.3)	(3,402.8)	(3,735.6)
Effect of foreign exchange rates on cash and cash equivalents	(3.2)	(6.7)	—
Change in cash and cash equivalents	(3,027.3)	2,632.2	(584.0)
Cash and cash equivalents at beginning of year	4,816.1	2,183.9	2,767.9
Cash and cash equivalents at end of year	\$ 1,788.8	\$ 4,816.1	\$ 2,183.9

The information presented above should be read in conjunction with the audited financial statements and accompanying notes included in WellPoint's 2010 Annual Report on Form 10-K.

## Board of Directors

**Angela F. Braly**<sup>3</sup>

Chair of the Board, President and Chief Executive Officer

**Lenox D. Baker, Jr., M.D.**<sup>5</sup>

Former President, Mid-Atlantic Cardiothoracic Surgeons, Ltd.

**Susan B. Bayh**<sup>5</sup>

Attorney at Law

**Sheila P. Burke**<sup>4,5</sup>

Senior Research Faculty, John F. Kennedy School of Government, Harvard University

**William H.T. Bush**<sup>2,3,5</sup>

Chairman, Bush O'Donnell & Co., Inc.

**Julie A. Hill**<sup>1,4,5</sup>

Owner of The Hill Company

**Warren Y. Jobe**<sup>1,5</sup>

Former Senior Vice President, Southern Company

**William G. Mays**<sup>1,4</sup>

President & Chief Executive Officer, Mays Chemical Company Inc.

**Ramiro G. Peru**<sup>1,2</sup>

Former Executive Vice President and Chief Financial Officer, Phelps Dodge Corporation

**Senator Donald W. Riegle, Jr.**<sup>2,4</sup>

Government Affairs Unit of APCO Worldwide, Chairman

**William J. Ryan**<sup>2,3</sup>

Former Chairman and President, TD Banknorth Inc

**George A. Schaefer, Jr.**<sup>1,3</sup>

Former Chairman and CEO, Fifth Third Bancorp

**Jackie M. Ward**<sup>2,3,4</sup>

Retired CEO, Intec Telecom Systems PLC

1 Audit Committee

2 Compensation Committee

3 Executive Committee

4 Governance Committee

5 Planning Committee

## Executive Leadership Team

**Angela F. Braly**

Chair, President and CEO

**Lori Beer**

Executive Vice President, Enterprise Business Services

**Randy L. Brown**

Executive Vice President and Chief Human Resources Officer

**John Cannon**

Executive Vice President, General Counsel, Corporate Secretary, and Chief Public Affairs Officer

**Wayne S. DeVeydt**

Executive Vice President and Chief Financial Officer

**Ken Goulet**

Executive Vice President, President and CEO, Commercial Business

**Samuel R. Nussbaum, M.D.**

Executive Vice President, Clinical Health Policy; Chief Medical Officer and Interim President, Comprehensive Health Solutions

**Brian A. Sassi**

Executive Vice President, Strategy and Marketing, and President and CEO, Consumer Business



# Shareholder Information

## Corporate Headquarters

WellPoint, Inc.  
120 Monument Circle  
Indianapolis, IN 46204-4903  
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 a 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

## Online Materials

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 at [www.wellpoint.com/annualreport/2010](http://www.wellpoint.com/annualreport/2010).

## 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, Form 10-K, 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 2011 annual meeting of shareholders of WellPoint, Inc. will be held at 8:00 a.m. Eastern Daylight Time on Tuesday, May 17, 2011, at the Hilton Hotel at 120 West Market Street, Indianapolis, Indiana.

## Market Price of Common Stock

Our common stock, par value \$0.01 per share, is listed on the NYSE under the symbol "WLP." On February 9, 2011, the closing price on the NYSE was \$65.25. As of February 9, 2011, there were 97,360 shareholders of record of our common stock. The following table presents high and low sales prices for our common stock on the NYSE for the periods indicated.

	High	Low
<b>2010</b>		
First Quarter	\$70.00	\$56.99
Second Quarter	65.81	48.86
Third Quarter	57.49	46.52
Fourth Quarter	61.00	52.93
<b>2009</b>		
First Quarter	\$46.49	\$29.32
Second Quarter	52.00	36.41
Third Quarter	55.73	46.96
Fourth Quarter	60.89	44.04

## Dividends

On February 23, 2011, WellPoint announced its Board of Directors declared a quarterly dividend to shareholders in the first quarter of 2011 of \$0.25 per share. This quarterly rate represents an annualized dividend of \$1.00 per share, which equates to a yield of approximately 1.5 percent based on the Company's stock price at close of trading on the New York Stock Exchange on February 22. The initial dividend payment was made on March 25, 2011, to shareholders of record as of March 10, 2011. Future quarterly dividend payments are subject to Board approval and may be adjusted as business needs or market conditions change.

**About WellPoint, Inc.**

WellPoint works to simplify the connection between Health, Care and Value. We help to improve the health of our communities, deliver better care to members, and provide greater value to our customers and shareholders. WellPoint is the nation's largest health benefits company in terms of medical enrollment, with more than 33 million members in its affiliated health plans, and a total of more than 69 million individuals served through its subsidiaries. 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. In a majority of these service areas, WellPoint does business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). WellPoint also serves customers throughout the country as UniCare. Additional information about WellPoint is available at [www.wellpoint.com](http://www.wellpoint.com).

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/or Blue Shield Plans.





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