

WELLPOINT INC
Form DEF 14A
April 04, 2008
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SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

WellPoint, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(3) Filing Party:

(4) Date Filed:

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April 4, 2008

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2008 Annual Meeting of Shareholders of WellPoint, Inc. (the Company). The meeting will be held at WellPoint, Inc.'s principal executive offices at 120 Monument Circle, Indianapolis, Indiana, at 10:00 a.m., Eastern Daylight Time, on Wednesday, May 21, 2008.

In addition to voting on the matters described in this Proxy Statement, we will review the Company's 2007 business results and discuss our plans for 2008 and beyond. There will be an opportunity to discuss matters of interest to you as a shareholder.

Pursuant to new rules recently adopted by the Securities and Exchange Commission, we are providing access to our proxy materials over the Internet. On or about April 4, 2008, we will mail a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice) to certain shareholders of record and beneficial owners at the close of business on March 17, 2008, and on or about the same date we will mail our other shareholders a printed copy of this proxy statement and a proxy card. On the mailing date of the E-Proxy Notice, all shareholders and beneficial owners will have the ability to access all of the proxy materials on a website referred to in the E-Proxy Notice and this proxy statement.

We hope many of our shareholders will find it convenient to be present at the meeting, and we look forward to greeting those personally able to attend. If you are unable to attend, it is still important that your shares be represented and voted. Therefore, regardless of the number of shares you own, PLEASE VOTE THROUGH THE INTERNET, BY TELEPHONE OR BY MAIL. Any shareholder who attends the meeting may vote in person, even if he or she has voted through the Internet, by telephone or by mail.

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

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

Sincerely,

LARRY C. GLASSCOCK

Chairman of the Board

ANGELA F. BRALY

President and Chief Executive Officer

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WELLPOINT, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 21, 2008

WELLPOINT, INC.

120 Monument Circle

Indianapolis, Indiana 46204

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE	10:00 a.m., Eastern Daylight Time, on Wednesday, May 21, 2008
PLACE	WellPoint, Inc. 120 Monument Circle Indianapolis, Indiana 46204
ITEMS OF BUSINESS	<ol style="list-style-type: none">(1) To elect six members of the Board of Directors for three-year terms.(2) To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm for the Company for 2008.(3) If presented at the meeting, to vote on a shareholder proposal concerning an advisory resolution on compensation of named executive officers.(4) To transact such other business as may properly come before the annual meeting and any adjournment or postponement.
RECORD DATE	You can vote if you are a shareholder of record on March 17, 2008.

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ANNUAL REPORT

Our 2007 Summary Annual Report, which is not a part of the proxy solicitation material, and our 2007 Annual Report on Form 10-K, which is our Annual Report to Shareholders, are enclosed.

PROXY VOTING

It is important that your shares be represented and voted at the annual meeting. Whether or not you plan to attend the annual meeting, we urge you to vote your shares through the Internet or by telephone, as we describe in the accompanying materials and the Notice of Internet Availability of Proxy Materials. As an alternative, if you received a printed copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. You can revoke a proxy at any time prior to its exercise at the annual meeting by following the instructions in the accompanying Proxy Statement. Voting through the Internet, by telephone or by mail will not limit your right to vote in person or to attend the annual meeting.

By Order of the Board of Directors

Nancy L. Purcell

Secretary

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WELLPOINT, INC.

120 Monument Circle

Indianapolis, Indiana 46204

PROXY STATEMENT

Annual Meeting of Shareholders

May 21, 2008

Purpose

This proxy statement is being made available to shareholders on or about April 4, 2008 in connection with a solicitation by the Board of Directors of WellPoint, Inc. (WellPoint , the Company , we , us or our) of proxies to be voted at the annual meeting of shareholders and any adjournments or postponements, to be held at 10:00 a.m., Eastern Daylight Time, Wednesday, May 21, 2008, at our principal executive offices at 120 Monument Circle, Indianapolis, Indiana, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. Shareholders will be admitted to the annual meeting beginning at 9:00 a.m., Eastern Daylight Time.

Internet Availability of Proxy Materials

We are using the new e-proxy rules adopted by the Securities and Exchange Commission (the SEC). Accordingly, we are making this proxy statement and related proxy materials available on the Internet in accordance with the SEC 's new rules that allow companies to furnish proxy materials to shareholders through a notice and access model using the Internet. The Notice and Access Rule removes the requirement for public companies to automatically send shareholders a full, hard-copy set of proxy materials and allows them instead to deliver to their shareholders a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice) and to provide online access to the documents.

If you received an E-Proxy Notice by mail, you will not receive a printed copy of our proxy materials, unless you specifically request one as set forth below. The E-Proxy Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report as well as how to submit your proxy through the Internet. On or about April 4, 2008, we mailed the E-Proxy Notice to certain shareholders of record, and our other shareholders received a printed copy of our proxy materials.

This proxy statement, the form of proxy and voting instructions are being made available to shareholders on or about April 4, 2008, at www.envisionreports.com/wlp. If you received the E-Proxy Notice and would still like to receive a printed copy of the proxy materials, you may request a printed copy of this proxy statement and the form of proxy by any of the following methods: (a) telephone at 1-866-641-4276 in the US, Canada or Puerto Rico or at 781-575-2300 from outside the US, Canada or Puerto Rico; (b) Internet at www.envisionreports.com/wlp; or (c) e-mail at investorvote@computershare.com. Our Annual Report to Shareholders, including financial statements, for the year ended December 31, 2007 is being made available at the same time and by the same methods. The Annual Report is not to be considered as part of the proxy solicitation materials or as having been incorporated by reference.

Record Date, Quorum and Vote Required

Record Date At the close of business on March 17, 2008, the record date for the annual meeting, there were 537,609,356 shares of our common stock outstanding and entitled to vote at the annual meeting.

Quorum In order for business to be conducted at the annual meeting, a quorum must be present. A quorum will be present if 25% of the votes entitled to be cast on a matter are represented in person or by proxy.

Vote Required You will have one vote for each share held. Each of the proposals will be approved if the votes cast for the respective proposal exceed the votes cast against the proposal.

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Shares of our common stock represented by properly executed proxies will be voted at the annual meeting in accordance with the choices indicated on the proxy. Abstentions on a specific proposal will be considered as present at the annual meeting and will be counted for purposes of determining whether a quorum is present. Abstentions will not be counted in the votes cast on any of the proposals and will not affect the determination of whether a proposal will be approved.

If your shares of our common stock are held in street name, and you do not provide your broker with voting instructions regarding any of the proposals, your broker will nevertheless have the discretion to vote your shares of common stock for the proposals.

Shareholders

Shares of our common stock may be held directly in your own name or may be held through a stockbroker, bank or other nominee in street name. Summarized below are some distinctions between shares held of record and those owned beneficially:

Shareholder of Record If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares and we are providing proxy materials directly to you. As the shareholder of record, you have the right to vote in person at the annual meeting or to grant your voting proxy to the persons designated by us.

Beneficial Owner If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in street name, and you have been provided proxy materials from your broker, bank or other nominee who is considered the shareholder of record with respect to the shares. As the beneficial owner, you have the right to direct the broker, bank or nominee on how to vote your shares and are also invited to attend the annual meeting. Your broker, bank or nominee is obligated to provide you with a voting instruction card for you to use. However, since you are not the shareholder of record, you may not vote these shares in person at the annual meeting unless you bring with you to the annual meeting a legal proxy, executed in your favor, from the shareholder of record.

Employee Shareholder If you participate in the WellPoint 401(k) Retirement Savings Plan and you are invested in our common stock fund in your account, you may give voting instructions to the plan trustee as to the number of shares of common stock equivalent to the interest in our common stock fund credited to your account as of the most recent valuation date coincident with or preceding the record date. The trustee will vote your shares in accordance with your instructions received by May 19, 2008 at 12:00 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 19, 2008 at 12:00 p.m., Eastern Daylight Time, by filing with the trustee either written notice of revocation or a properly completed and signed proxy card bearing a later date. Your voting instructions will be kept confidential by the trustee. If you do not send instructions for a proposal, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions.

Voting

Whether you hold shares as a shareholder of record or as a beneficial owner you may vote before the annual meeting by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. Most shareholders will have a choice of voting through the Internet or by telephone or, if you received a printed copy of the proxy materials, by completing a proxy card or voting instruction card and returning it in a postage-prepaid envelope. Please refer to the instructions below and in the E-Proxy Notice.

Through the Internet You may vote through the Internet by going to www.envisionreports.com/wlp and following the instructions. You will need to have the E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting through the Internet. If you want to vote through the Internet, you must do so before 11:59 p.m., Eastern Daylight Time, May 20, 2008. **If you vote through the Internet, you do not need to return a proxy card.**

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By Telephone You may vote by touchtone telephone by calling (800) 652-8683. You will need to have your E-Proxy Notice, or if you received a printed copy of the proxy materials, your proxy card or voting instruction card, available when voting by telephone. In order to obtain a proxy card, please follow the instructions on the E-Proxy Notice. If you want to vote by telephone, you must do so before 11:59 p.m., Eastern Daylight Time, May 20, 2008. **If you vote by telephone, you do not need to return a proxy card.**

By Mail If you are a beneficial owner, you may vote by mail by signing and dating your proxy card or voting instruction card provided by your broker, bank or nominee and mailing it in a postage-prepaid envelope. If you are a shareholder of record and you received a printed copy of our proxy materials, you may vote by signing and dating your proxy card or voting instruction card and mailing it in a postage-prepaid envelope. If you are a shareholder of record and received the E-Proxy Notice, in order to obtain a proxy card, please follow the instructions on the E-Proxy Notice. If you provide specific voting instructions, your shares will be voted as you instruct. **If you sign and date your proxy card, but do not provide instructions, your shares will be voted FOR the election of each of our nominee directors listed on page 17 of this proxy statement, FOR the ratification of the appointment of the independent registered public accounting firm described on page 21 of this proxy statement, and AGAINST the shareholder proposal concerning an advisory resolution on compensation of named executive officers described beginning on page 24 of this proxy statement.**

Changing Your Vote You may revoke your proxy at any time prior to the annual meeting. If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. If you attend the annual meeting you will be given the opportunity to revoke your proxy and vote in person.

Householding

Shareholders who share the same last name and address may receive only one copy of the E-Proxy Notice unless we receive contrary instructions from any shareholder at that address. This is referred to as householding. If you prefer to receive multiple copies of the E-Proxy Notice at the same address, additional copies will be provided to you promptly upon written or oral request, and if you are receiving multiple copies of the E-Proxy Notice, you may request that you receive only one copy. Please address requests for a copy of the E-Proxy Notice to our Secretary, WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204 or telephone (800) 985-0999. The Annual Report on Form 10-K is also available on our website under Investor Info Financial Information SEC Filings www.wellpoint.com.

Additional Matters

Our Board of Directors (the Board) has not received notice of, and knows of no matters, other than those described in the attached Notice of Annual Meeting of Shareholders, which are to be brought before the annual meeting. If other matters properly come before the annual meeting, it is the intention of the persons named in the accompanying proxy card to vote such proxy in accordance with their judgment on such matters.

Shareholder Proposals and Nominations for Next Year's Annual Meeting

In order to be considered at the 2009 annual meeting of shareholders, shareholder proposals must comply with the advance notice and eligibility requirements contained in our by-laws.

Shareholder Proposal Our by-laws provide that for business to be properly brought before an annual meeting by a shareholder, the shareholder must have the legal right and authority to make the proposal for consideration at the meeting and the shareholder must give timely written notice thereof to our Secretary. Such proposals also will need to comply with the SEC regulations regarding the inclusion of shareholder proposals in our sponsored proxy materials if the shareholder would like the proposal to be so included.

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

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Timely Notice In order to be timely, a shareholder's notice must be delivered to our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. In the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder must be delivered not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The notice must contain specified information about each nominee or the proposed business and the shareholder making the nomination or proposal. Pursuant to SEC regulations, the date by which shareholder proposals and nominations of candidates for election as directors must be received by us for inclusion in proxy materials relating to the 2009 annual meeting of shareholders is December 5, 2008.

Copy of By-Law Provisions The specific requirements of these advance notice and eligibility provisions are set forth in Section 1.4 and Section 1.5 of our by-laws. You may contact our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204 for a copy of these relevant provisions of our by-laws.

Annual Meeting Admission

Either an admission ticket or proof of ownership of our common stock, as well as a form of personal identification, must be presented in order to be admitted to the annual meeting. If you are a shareholder of record and received an E-Proxy Notice, your E-Proxy Notice is your admission ticket. If you are a shareholder of record and received a printed copy of our proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the annual meeting. If you are a beneficial owner and your shares are held in the name of a broker, bank or other nominee, you must bring a brokerage statement or other proof of ownership with you to the annual meeting, or you may request an admission ticket in advance by mailing a request, along with proof of your ownership of our common stock, to WellPoint Shareholder Services, 120 Monument Circle, Mail No. IN0102-B323, Indianapolis, Indiana 46204.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the annual meeting.

Cost of Solicitation

We will bear the cost of the solicitation of proxies and have engaged D. F. King & Co., Inc. to assist in the solicitation of proxies. D. F. King & Co., Inc. will receive a fee of approximately \$6,000 plus reasonable out-of-pocket expenses for this work. We also will reimburse banks, brokers or other custodians, nominees and fiduciaries for their expenses in forwarding the proxy materials to beneficial owners and seeking instruction with respect thereto. In addition, our directors, officers or other associates, without additional compensation, may solicit proxies from shareholders in person, or by telephone, facsimile transmission or other electronic means of communication.

GOVERNANCE OF THE COMPANY

We believe that the only results worth achieving are those achieved with integrity and a commitment to excellence. Accordingly, we have long recognized the importance of and have always placed a high priority upon having good corporate governance measures in place. We take great care to ensure that our measures align with the requirements of the Sarbanes-Oxley Act of 2002, the rules promulgated by the SEC and the listing standards of the New York Stock Exchange (NYSE).

We believe it is important to disclose to you a summary of our major corporate governance practices. Over the past several years, we have enhanced our corporate governance practices in a number of important ways, and we continually seek out best practices to promote a high level of performance from the Board and management.

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Among the practices we adhere to are the following:

We have adopted Corporate Governance Guidelines;

We have adopted majority voting for the election of directors in non-contested elections;

A majority of our Board is comprised of independent directors;

Only independent directors serve on the Audit, Compensation and Governance Committees;

Non-employee directors meet periodically in executive session without management present;

A Presiding Director presides at the executive sessions of independent directors, and performs various other duties; the Presiding Director position rotates annually among the Chairpersons of each of the Governance Committee, Audit Committee, Compensation Committee and Planning Committee; Warren Y. Jobe is the current Presiding Director;

The lead partner of our independent registered public accounting firm is rotated at least every five years;

The Board, and each committee of the Board, has the authority to engage consultants and advisors at our expense;

The Board, each standing committee and each director annually conduct evaluations of their performance;

The Board encourages directors to participate in continuing education programs and reimburses directors for the expenses of such participation; all directors have attended at least eight hours of accredited educational programs within the past two years; and

The Board and our executive officers, associates and external business partners are governed by our Standards of Ethical Business Conduct.

In addition, a current version of our Corporate Governance Guidelines, our Standards of Ethical Business Conduct, and the charter of each standing committee of the Board are available on our website at www.wellpoint.com under the Corporate Governance tab, and are available in print upon request to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204.

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

BOARD AND COMMITTEE MEMBERSHIP

As reflected in our Corporate Governance Guidelines, our business, property and affairs are managed under the direction of our Board. Members of our Board stay informed of our business through discussions with our CEO and other officers, by reviewing materials provided to them, by visiting our offices, by participating in meetings of the Board and its committees and through their own industry knowledge and inquiries.

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As permitted by the rules of the NYSE, our Board has adopted categorical standards to assist it in making determinations of independence and whether or not a director has a material relationship with us. These categorical standards are set forth in Appendix I to this proxy statement and are available on our website at www.wellpoint.com under the Corporate Governance tab.

Our Board has determined that each of the following directors meets these standards, has no material relationship with us and is independent as defined by the NYSE listing standards and the SEC's rules: Susan B. Bayh, Sheila P. Burke, William H.T. Bush, Julie A. Hill, Warren Y. Jobe, Victor S. Liss, William G. Mays, Ramiro G. Peru, Jane G. Pisano, Senator Donald W. Riegle, Jr., William J. Ryan, George A. Schaefer, Jr., Jackie M. Ward and John E. Zuccotti.

Table of Contents**Meetings and Committees of the Board**

During 2007, the Board held eleven meetings. The Board met in executive session without management at all but one of the meetings. During the period in 2007 for which he or she served as a director, each director attended at least 75% of the total meetings of the Board and each committee on which he or she served.

There are five standing committees of the Board. From time to time, the Board, in its discretion, may form other committees. The following table provides membership information for each of the Board committees as of March 1, 2008.

Directors	Executive Committee	Audit Committee	Compensation Committee	Governance Committee	Planning Committee
Lenox D. Baker, Jr., M.D.					X
Susan B. Bayh				X	
Angela F. Braly	X				
Sheila P. Burke			X		
William H.T. Bush	X			X	X*
Larry C. Glasscock	X*				X
Julie A. Hill				X	X
Warren Y. Jobe	X	X*			
Victor S. Liss		X			
William G. Mays		X			
Ramiro G. Peru		X			
Jane G. Pisano			X		X
Donald W. Riegle, Jr.			X	X	
William J. Ryan	X		X*		
George A. Schaefer, Jr.		X			
Jackie M. Ward	X		X	X*	
John E. Zuccotti				X	

* Signifies Chairperson of the Committee

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

The Audit Committee

The Audit Committee, which was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act) assists the Board in its oversight of our accounting, financial reporting and internal audit controls and procedures. In its oversight of our financial statements and the independent audit thereof, the Audit Committee is responsible for the selection, evaluation and, where deemed appropriate, replacement of the independent registered public accounting firm, and for the evaluation of the independence of the independent registered public accounting firm. The Audit Committee is also responsible for the oversight of our Compliance Program and Standards of Ethical Business Conduct. See Audit Committee Matters Audit Committee Report on page 23.

A copy of the Audit Committee Charter is available on our website at www.wellpoint.com under the Corporate Governance tab.

The Audit Committee met 11 times during 2007. At six of the eleven meetings, the Audit Committee met separately with each of management, the executive vice president of internal audit and the independent registered public accounting firm.

The current members of the Audit Committee are: Warren Y. Jobe (Chairperson), Victor S. Liss, William G. Mays, Ramiro G. Peru and George A. Schaefer, Jr. The Board has determined that each of the

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members of the Audit Committee is independent as defined by the rules of the SEC and the NYSE listing standards and that each of the members is an audit committee financial expert as defined by the SEC's rules.

The Compensation Committee

The Compensation Committee assists the Board in discharging its responsibilities relating to compensation and benefits provided to our executive officers (which are to be determined by the Compensation Committee in its sole discretion) and other employees (except to the extent delegated by the Board to another committee of the Board). One of the duties and responsibilities of the Compensation Committee is to set the compensation level of our CEO and other executive officers based on an evaluation of the executive's performance in light of our goals and objectives. The Compensation Committee may take into consideration when setting the compensation levels of the executive officers (other than the CEO) any recommendations of the CEO with respect to the other executive officers. In addition, the Compensation Committee has directly engaged Watson Wyatt Worldwide (Watson Wyatt), an outside compensation consultant, to assist in the evaluation of CEO and executive officer compensation, as authorized under its charter. The consultant reports directly to the Compensation Committee. The consultant regularly participates in Committee meetings and advises the Committee with respect to compensation trends and best practices, plan design and the reasonableness of individual compensation awards.

A copy of the Compensation Committee Charter is available on our website at www.wellpoint.com under the Corporate Governance tab.

The Compensation Committee met twelve times during 2007. At three of the twelve meetings, the Committee met in executive session without management.

The current members of the Compensation Committee are: William J. Ryan (Chairperson), Sheila P. Burke, Jane G. Pisano, Senator Donald W. Riegler, Jr., and Jackie M. Ward. All members of the Compensation Committee are outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), non-employee directors within the meaning of Section 16b-3 of the Exchange Act and independent within the meaning of the NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

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

The Governance Committee

The Governance Committee assists the Board in discharging its responsibilities relating to Board composition, director compensation and corporate governance by identifying and recommending individuals for nomination as members of the Board, recommending to the Board the overall director compensation policy and developing and recommending to the Board a set of corporate governance guidelines. The Governance Committee has directly engaged Mercer Human Resource Consulting, Inc. (Mercer), an outside compensation consultant, to assist in the evaluation of director compensation, as authorized under its charter. Mercer reports directly to the Governance Committee. Mercer advised the Committee with respect to director compensation trends and best practices, plan design and the reasonableness of director compensation.

A copy of the Governance Committee Charter is available on our website at www.wellpoint.com under the Corporate Governance tab.

The Governance Committee met seven times during 2007. At five of the seven meetings, the Committee met in executive session without management.

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The current members of the Governance Committee are: Jackie M. Ward (Chairperson), Susan B. Bayh, William H.T. Bush, Julie A. Hill, Senator Donald W. Riegle, Jr. and John E. Zuccotti. The Board has determined that each of the members of the Governance Committee is independent as defined by the NYSE listing standards.

Shareholder Nominees

The policy of the Governance Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board as described below under Identifying and Evaluating Nominees for Directors. In evaluating such nominations, the Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board and to address the membership criteria set forth under Director Qualifications. Any shareholder nominations proposed for consideration by the Governance Committee must include the nominee's name and qualifications for Board membership and must be addressed to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204.

For a description of the requirements regarding shareholder nominations and other proposals at annual meetings, see Shareholder Proposals and Nominations for Next Year's Annual Meeting beginning on page 3.

Director Qualifications

The Governance Committee will look for candidates who possess qualifications that meet our strategic needs; possess high personal values, judgment and integrity; have an understanding of our business and the regulatory and policy environment in which we operate; and have diverse experiences in key business, financial and other challenges that face a publicly held health benefits company. In particular, the Governance Committee will look for candidates with special and diverse experience in areas such as management of public companies, entrepreneurial companies, and large companies, investment banking and banking industry experience, health care industry experience, public relations, retail/mass marketing experience, accounting and audit experience, clinical health experience and technology and e-commerce experience. The candidates should be committed to enhancing shareholder value, should have sufficient time to carry out their duties and should be able to provide insight and practical wisdom based on experience to represent the interests of all shareholders. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform all director duties responsibly. The foregoing qualifications will be applied by the Governance Committee to all candidates for nominees, including candidates submitted by shareholders.

Identifying and Evaluating Nominees for Directors

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Governance Committee assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Governance Committee considers, subject to the restrictions in our by-laws, whether the vacancy should be filled and if so, various potential candidates for director. Candidates may come to the attention of the Governance Committee through current Board members, management, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the Governance Committee, and may be considered at any point during the year. As described above, the Governance Committee considers properly submitted shareholder nominations for candidates for the Board. Following verification of the shareholder status of persons proposing candidates, recommendations are aggregated and considered by the Governance Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for our annual meeting. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials are forwarded to the Governance Committee. The Governance Committee may also review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder.

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The Planning Committee

The Planning Committee assists the Board in discharging its responsibilities related to various strategic issues, such as our long-term plans, mergers and acquisitions, emerging trends and emerging technology.

A copy of the Planning Committee Charter is available on our website at www.wellpoint.com under the Corporate Governance tab.

The Planning Committee met five times during 2007.

The current members of the Planning Committee are: William H.T. Bush (Chairperson), Lenox D. Baker, Jr., M.D., Larry C. Glasscock, Julie A. Hill and Jane G. Pisano.

The Executive Committee

Between meetings of the Board, the Executive Committee has and may exercise the powers and authority of the full Board. The Executive Committee assists the Board in discharging its responsibilities related to an emergency and long-term succession plan for our CEO and executive officers.

A copy of the Executive Committee Charter is available on our website at www.wellpoint.com under the Corporate Governance tab.

The Executive Committee met three times during 2007.

The current members of the Executive Committee are: Larry C. Glasscock (Chairperson), Angela F. Braly, William H.T. Bush, Warren Y. Jobe, William J. Ryan and Jackie M. Ward.

Communications with the Board

Individuals may communicate with the Board by submitting an e-mail to our Board at boardofdirectors@wellpoint.com. Communications that are intended specifically for non-management directors or any individual director should be sent to the e-mail address above to the attention of the Presiding Director. Individuals may also communicate with the Board by submitting a letter to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204.

In addition, individuals may communicate with the Chairperson of the principal committees by submitting an e-mail to:

Chairperson of the Audit Committee: auditchair@wellpoint.com

Chairperson of the Compensation Committee: compensationchair@wellpoint.com

Chairperson of the Governance Committee: governancechair@wellpoint.com

The process for collecting and organizing shareholder communications, as well as similar or related activities, has been approved by a majority of our independent directors. Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items which are unrelated to the duties and responsibilities of the Board should be excluded, such as:

spam;

junk mail and mass mailings;

medical claims inquiries;

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new product suggestions;

resumes and other forms of job inquiries;

surveys; and

business solicitations or advertisements.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any such unsuitable communication is made available to any non-management director upon request.

Board Attendance at Annual Meeting of Shareholders

Our policy is that Board members attend each annual meeting of shareholders. All members of the Board at the time attended the 2007 annual meeting of shareholders.

REVIEW AND APPROVAL OF TRANSACTIONS WITH RELATED PERSONS

Policy

The Board has adopted a written policy and procedures for review, approval and monitoring of transactions involving us and related persons (directors and executive officers or their immediate family members, or shareholders owning five percent or greater of our outstanding common stock). The policy covers any related person transaction that involves amounts exceeding \$100,000 in any calendar year and in which a related person has a direct or indirect material interest.

Related person transactions must be approved or ratified by the Governance Committee of the Board. In considering the transaction, the Governance Committee will take into account, among other factors it deems appropriate, whether the related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. The policy includes several categories of standing pre-approved transactions, including, but not limited to, transactions involving competitive bids, certain banking-related services and certain transactions involving amounts not in excess of the greater of \$1 million or 2% of the other company's total annual gross revenues. The Governance Committee will periodically review and assess the on-going transactions to ensure compliance with the Governance Committee's guidelines and that the transactions remain appropriate.

Current Transactions

Dr. Lenox D. Baker, Jr., a member of our Board, is a cardiac and thoracic surgeon and is the President of Mid-Atlantic Cardiothoracic Surgeons, Ltd., which is a provider in our network. Dr. Baker is one of seven doctors associated with Mid-Atlantic Cardiothoracic Surgeons, Ltd. For the years ended December 31, 2006 and 2007, we made payments in the amount of approximately \$1,053,000 and \$1,176,300, respectively, to this practice for reimbursement of claims. The Governance Committee approved and continues to monitor this arrangement consistent with the above policy.

In the ordinary course of business, we may, from time to time, engage in transactions with other corporations or financial institutions whose officers or directors are also our directors. Transactions with such corporations and financial institutions are conducted on an arm's length basis, and in 2007, such transactions did not impair the independence of our independent directors. In 2007, all of these transactions were deemed to be pre-approved by the Governance Committee consistent with the above policy.

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STANDARDS OF ETHICAL BUSINESS CONDUCT

We have adopted Standards of Ethical Business Conduct (the Code) for our directors, management and other associates. The purpose of the Code is to focus on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and integrity. The Code is posted on our website at www.wellpoint.com under the Corporate Governance tab, and is available in print upon request to our Secretary at WellPoint, Inc., 120 Monument Circle, Mail No. IN0102-B315, Indianapolis, Indiana 46204.

Everyone is expected to act in accordance with the requirements of the Code. Waivers of the Code for any director, our Chief Executive Officer, our Chief Financial Officer and our other executive officers may only be made by the Board or by a Board committee composed of independent directors. Any such waiver and any amendment to the Code will be posted on our website at www.wellpoint.com under the Corporate Governance tab and otherwise disclosed as required by law. During 2007, there were no waivers of the Code for any of our directors, our Chief Executive Officer, our Chief Financial Officer or any of our other executive officers.

Table of Contents**COMPENSATION OF NON-EMPLOYEE DIRECTORS****2007 Compensation to Non-Employee Directors⁽¹⁾**

Name	Fees Earned or Paid		All Other Compensation ⁽⁴⁾ (\$)	Total (\$)
	in Cash ⁽²⁾ (\$)	Stock Awards ⁽³⁾ (\$)		
Lenox D. Baker, Jr., M.D.	\$ 74,502	\$ 249,998	\$ 0	\$ 324,500
Susan B. Bayh	\$ 74,752	\$ 249,998	\$ 10,000	\$ 334,750
Sheila P. Burke	\$ 80,752	\$ 253,345	\$ 0	\$ 334,097
William H.T. Bush	\$ 97,002	\$ 253,345	\$ 10,000	\$ 360,347
Julie A. Hill	\$ 85,252	\$ 249,998	\$ 10,000	\$ 345,250
Warren Y. Jobe	\$ 104,752	\$ 249,998	\$ 10,000	\$ 364,750
Victor S. Liss	\$ 85,002	\$ 249,998	\$ 31,678 ⁽⁵⁾	\$ 366,678
William G. Mays	\$ 86,002 ⁽⁶⁾	\$ 249,998	\$ 10,000	\$ 346,000
Ramiro G. Peru	\$ 86,002	\$ 249,998	\$ 10,000	\$ 346,000
Jane G. Pisano	\$ 89,002	\$ 249,998	\$ 10,000	\$ 349,000
Donald W. Riegler, Jr.	\$ 91,252 ⁽⁷⁾	\$ 249,998	\$ 0	\$ 341,250
William J. Ryan	\$ 95,252	\$ 249,998	\$ 0	\$ 345,250
George A. Schaefer, Jr.	\$ 85,002	\$ 249,998	\$ 10,000	\$ 345,000
Jackie M. Ward	\$ 105,002 ⁽⁸⁾	\$ 249,998	\$ 10,000	\$ 365,000
John E. Zuccotti	\$ 76,752	\$ 249,998	\$ 10,000	\$ 336,750

⁽¹⁾ Employee directors do not receive any compensation for their service as a director. Although Mr. Glasscock was not an employee after June 1, 2007, his compensation and that of Ms. Braly for 2007 is shown in the Summary Compensation Table on page 40.

⁽²⁾ In addition to annual Board and committee chair retainer fees, includes \$2.44 paid in cash to each non-employee director, other than Mr. Glasscock, which represents cash payments in lieu of issuing fractional shares in connection with the annual grant of shares of our common stock received on the date of our annual meeting of shareholders.

⁽³⁾ The amounts in this column reflect the dollar amount recognized for financial statement reporting purposes for the year ended December 31, 2007, in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (FAS 123R) with respect to stock awards held by each non-employee director. During 2007, each non-employee director other than Mr. Glasscock received 2,946 phantom shares of our common stock for the annual retainer grant of shares of our common stock on the date of our annual meeting of shareholders (May 16, 2007), receipt of which was deferred pursuant to the WellPoint Board of Directors Deferred Compensation Plan (the Board Deferred Compensation Plan). The phantom shares will be converted into common stock upon the lapse of the deferral period. The amounts in this column include the FAS 123R cost recognized in 2007 for equity grants to Ms. Burke and Mr. Bush made prior to 2007 by WellPoint Health Networks Inc. (WHN). See also Board Equity Compensation and Stock Ownership Guidelines.

The grant date fair value for the 2007 stock awards is calculated by multiplying the closing price of our common stock on the NYSE on the date of grant by the number of shares in the stock award, and equals \$249,998 for all of our non-employee directors other than Mr. Glasscock. As of December 31, 2007, each non-employee director had the following aggregate number of deferred shares accumulated in their deferral accounts and stock options, respectively, for all years of service as a director: Lenox D. Baker, Jr., M.D.: 10,068 and 16,667; Susan B. Bayh: 10,068 and 0; Sheila P. Burke: 10,156 and 99,200; William H.T. Bush: 10,068 and 71,744; Julie A. Hill: 10,156 and 0; Warren Y. Jobe: 10,068 and 16,232; Victor S. Liss: 10,620 and 20,000; William G. Mays, 10,620 and 50,000; Ramiro G. Peru: 10,068 and 33,947; Jane G. Pisano: 10,068 and 24,216; Senator Donald W. Riegler, Jr.: 10,620 and 10,000; William J. Ryan: 10,068 and 20,000; George A. Schaefer, Jr.: 10,068 and 50,000; Jackie M. Ward: 10,620 and 40,000; and John E. Zuccotti: 8,092 and 2,695. The deferred shares for each director are included in the Security Ownership of Certain Beneficial Owners and Management table beginning on page 15.

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- (4) Represents the matching charitable contributions made by the WellPoint Foundation. See Matching Gift Program.
- (5) Includes \$21,678 paid to Mr. Liss pursuant to the Board Deferred Compensation Plan.
- (6) All of Mr. Mays' 2007 compensation was deferred by him pursuant to the Board Deferred Compensation Plan other than the \$2.44 paid in cash in lieu of a fractional share.
- (7) Of this amount, \$9,125 (\$5,000 in retainer fees and \$4,125 in Board and committee meeting fees) was deferred by Senator Riegle pursuant to the Board Deferred Compensation Plan.
- (8) All of Ms. Ward's 2007 compensation was deferred by her pursuant to the Board Deferred Compensation Plan, other than the \$2.44 paid in cash in lieu of a fractional share.

The compensation of our non-employee directors is paid in the form of an annual retainer, meeting and chair fees and stock-based awards. During 2007, with the exception of Mr. Glasscock, whose compensation is discussed below, each non-employee director received:

an annual cash retainer fee of \$50,000, paid in advance in four equal quarterly installments;

an annual stock retainer fee of \$250,000 as described under Board Equity Compensation and Stock Ownership Guidelines ;

an additional annual cash retainer of \$15,000 for the chairperson of the Audit Committee, paid in advance;

an additional annual cash retainer of \$10,000 for the chairperson of the other committees, paid in advance;

a meeting fee of \$2,000 cash for attendance at each Board meeting held in person;

a meeting fee of \$1,000 cash for participation in each Board meeting held telephonically unless otherwise specified;

a meeting fee of \$2,000 cash for attendance at each Audit Committee meeting held in person;

a meeting fee of \$1,000 cash for participation in each Audit Committee meeting held telephonically unless otherwise specified;

a meeting fee of \$1,500 cash for attendance at each other committee meeting held in person;

a meeting fee of \$750 cash for participation in each other committee meeting held telephonically unless otherwise specified; and

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eligibility for an annual physical examination paid for by us.

In addition, all directors were reimbursed for expenses incurred in connection with attendance at and/or participation in any Board and committee meetings.

Mr. Glasscock became the non-executive Chairman of the Board on June 1, 2007. For his services in this capacity, Mr. Glasscock receives the compensation paid to other non-employee directors as set forth above (other than the director equity grant in 2007) and is paid an additional retainer of (1) \$437,500 for the period of his service as non-executive Chairman during calendar year 2007, (2) \$500,000 for service as non-executive Chairman for calendar year 2008, and (3) \$250,000 per year for such service thereafter. Mr. Glasscock's compensation for 2007 is set forth in the Summary Compensation Table on page 40 of this proxy statement.

WellPoint Board of Directors Deferred Compensation Plan

Cash fees paid to directors may be deferred under the Board Deferred Compensation Plan, which provides a method of deferring payment until a date selected by the director. Cash fees deferred accrue interest at a declared interest rate, which is determined on January 1 of each year and is the average of the 10-year U.S. Treasury Note monthly average rates for the 12-month period ending on September 30 of the previous year, plus 150 basis

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points, but not to exceed 120% of the applicable federal long-term rate, with compounding. Fees paid to directors in our common stock may also be deferred under the Board Deferred Compensation Plan. Fees paid in stock and deferred under the Board Deferred Compensation Plan are distributed in stock.

Board Equity Compensation and Stock Ownership Guidelines

As approved in February of 2005, each non-employee director receives, subject to the deferral described below, an annual grant, on the date of our annual meeting of shareholders, of the number of shares of our common stock equal to five times the annual Board cash retainer fee, based on the closing price of our common stock as reported on the NYSE on the date of grant. In 2007, each then non-employee director received 2,946 shares based on the market price of \$84.86 per share pursuant to this grant. In addition, each new non-employee director receives, on the date of the first annual meeting of shareholders held after his or her election and subject to the deferral described below, a grant of the number of shares of our common stock equal to 2.5 times the annual Board cash retainer fee, based on the closing price of our common stock as reported on the NYSE on the date of grant. Each such annual and initial grant of common stock is deferred for a minimum of five years from the date of grant, in accordance with the terms of the Board Deferred Compensation Plan. The shares of common stock will not be distributed to the directors until the earlier of the expiration of such deferral period or the date on which a director ceases to be a member of the Board.

In addition, each director has an obligation to own five times the annual Board cash retainer fee in our common stock by the end of a five-year period commencing on the later of the date such director became a member of the Board or May 3, 2002. For 2007, the annual Board cash retainer fee was \$50,000, so the obligation for each director was to own \$250,000 in our common stock. Each director is in compliance with the stock ownership requirements.

Matching Gift Program

Directors are eligible to participate in the WellPoint Foundation matching gift program. Under this program, the foundation matches 100% of charitable donations to qualified entities up to a maximum of \$10,000 per year for each director.

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**SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of January 31, 2008, the number of shares of our common stock beneficially owned by:

each of our directors,

each of our current and former CEO, current and former CFO and the three other most highly compensated executive officers during 2007 (collectively, the Named Executive Officers),

all directors and executive officers as a group, and

each person known by us to own beneficially more than five percent of our common stock.

Except as otherwise indicated below, each individual directly owns such shares of common stock and has sole investment and sole voting power. The table includes shares that may be purchased pursuant to stock options that are exercisable within 60 days of January 31, 2008 (currently exercisable options) and shares of common stock underlying restricted stock units that will vest within 60 days of January 31, 2008 (vested restricted stock units).

Name	Position	Number of Shares Owned	Number of Shares Supplementally Owned ⁽¹⁾	Total Number of Shares Beneficially Owned	Percent of Class (if more than 1%)
Larry C. Glasscock	Chairman of the Board	1,283,783 ⁽²⁾	46,020	1,329,803	*
Angela F. Braly	Director, President and Chief Executive Officer	307,567 ⁽³⁾	51,460	359,027	*
Lenox D. Baker, Jr., M.D	Director	89,296 ⁽⁴⁾	10,068	99,364	*
Susan B. Bayh	Director	0	10,068	10,068	*
Sheila P. Burke	Director	118,600 ⁽⁵⁾	10,156	128,756	*
William H.T. Bush	Director	86,990 ⁽⁶⁾	10,068	97,058	*
Julie A. Hill	Director	12,150	10,156	22,306	*
Warren Y. Jobe	Director	20,550 ⁽⁷⁾	10,068	30,618	*
Victor S. Liss	Director	20,878 ⁽⁸⁾	10,620	31,498	*
William G. Mays	Director	51,078 ⁽⁹⁾	10,620	61,698	*
Ramiro G. Peru	Director	39,214 ⁽¹⁰⁾	10,068	49,282	*
Jane G. Pisano	Director	32,180 ⁽¹¹⁾	10,068	42,248	*
Donald W. Riegler, Jr.	Director	10,878 ⁽¹²⁾	10,620	21,498	*
William J. Ryan	Director	23,430 ⁽¹³⁾	10,068	33,498	*
George A. Schaefer, Jr.	Director	51,430 ⁽¹⁴⁾	10,068	61,498	*
Jackie M. Ward	Director	67,216 ⁽¹⁵⁾	10,620	77,836	*
John E. Zuccotti	Director	7,866 ⁽¹⁶⁾	8,092	15,958	*
Wayne S. DeVeydt	Executive Vice President and Chief Financial Officer	110,469 ⁽¹⁷⁾	30,296	140,765	*
Mark L. Boxer	President and Chief Executive Officer, Operations, Technology and Government Services	87,978 ⁽¹⁸⁾	30,027	118,005	*
Joan E. Herman	Former President and CEO Consumer Business Unit and	303,195 ⁽¹⁹⁾	11,374	314,569	*

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Alice F. Rosenblatt	Executive Vice President Former Executive Vice President, Integration and Information Management Officer and Chief Actuary	406,255 ⁽²⁰⁾	9,556	415,811	*
David C. Colby ⁽²¹⁾	Former Vice Chairman, Chief Financial Officer and Executive Vice President	300,167	0	300,167	*

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Name	Position	Number of Shares Owned	Number of Shares Supplementally Owned ⁽¹⁾	Total Number of Shares Beneficially Owned	Percent of Class (if more than 1%)
Dodge & Cox					
555 California Street					
40 th Floor					
San Francisco, CA 94104 ⁽²²⁾		31,463,805	N/A	31,463,805	5.5%
AXA Financial, Inc.					
1290 Avenue of the Americas					
New York, NY 10104 ⁽²³⁾		32,619,808	N/A	32,619,808	5.7%
All directors and executive officers as a group (29 persons)		3,850,962 ⁽²⁴⁾	444,377	4,295,339	*

* Less than 1%

⁽¹⁾ For Named Executive Officers, this number represents shares of restricted stock that had not yet vested as of January 31, 2008. The Named Executive Officers have voting but not investment power over the shares of restricted stock shown as supplementally owned by them. For directors and other executive officers, this number represents unvested restricted stock and/or stock compensation deferred by the individual pursuant to our deferred compensation plans. The directors and executive officers do not have voting or investment power over the shares of our common stock that have been deferred.

⁽²⁾ Includes currently exercisable options to purchase 1,084,444 shares of our common stock and 3,689 vested restricted stock units.

⁽³⁾ Includes currently exercisable options to purchase 261,903 shares of our common stock, 4,979 vested restricted stock units and 3,789 shares held in Ms. Braly's 401(k) Plan account.

⁽⁴⁾ Includes currently exercisable options to purchase 16,667 shares of our common stock.

⁽⁵⁾ Includes currently exercisable options to purchase 99,200 shares of our common stock.

⁽⁶⁾ Includes currently exercisable options to purchase 71,744 shares of our common stock.

⁽⁷⁾ Includes currently exercisable options to purchase 16,232 shares of our common stock.

⁽⁸⁾ Includes currently exercisable options to purchase 20,000 shares of our common stock.

⁽⁹⁾ Includes currently exercisable options to purchase 50,000 shares of our common stock.

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- (10) Includes currently exercisable options to purchase 33,947 shares of our common stock.
- (11) Includes currently exercisable options to purchase 24,216 shares of our common stock.
- (12) Includes currently exercisable options to purchase 10,000 shares of our common stock.
- (13) Includes currently exercisable options to purchase 20,000 shares of our common stock.
- (14) Includes currently exercisable options to purchase 50,000 shares of our common stock.
- (15) Includes currently exercisable options to purchase 40,000 shares of our common stock and 108 shares owned by Ms. Ward's spouse.
- (16) Includes currently exercisable options to purchase 2,695 shares of our common stock.
- (17) Includes currently exercisable options to purchase 89,510 shares of our common stock and 2,080 vested restricted stock units.
- (18)