

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

TRIGON HEALTHCARE INC
Form 425
May 13, 2002

Filed by: Anthem, Inc.
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities and Exchange Act of 1934

Subject Company: Trigon Healthcare, Inc.
Subject Companies Exchange Act ID: 1-12617

On May 13, 2002, Anthem, Inc. held its annual meeting of shareholders. The following slides were used during a presentation at such annual meeting of shareholders.

[ANTHEM LOGO]

Annual Meeting of Shareholders

May 13, 2002

Welcome!

1

Anthem

Expanding Geographic Reach

[Map of the United States with oval circling Eastern portion of the United States. The map has been color coded to indicate Anthem, Pending Anthem Acquisition and Trigon.]

[] Anthem

[] Pending Anthem acquisition

[] Trigon

2

Transaction Rationale

o Extends Anthem's geographic footprint to a new region

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

- o Size of combined companies enhances position among top tier health benefits players
- o Leverages Trigon's strong management and operating expertise
- o Builds on combined strengths to create substantial operating synergies
- o Complementary cultures with quality and customer focus
- o Consumers benefit from strong company with expanded regional / local focus, but national reach

3

Transaction Summary

Offer Per Trigon Share: \$30 cash and 1.062 Anthem common shares

Transaction Value: \$4.0 billion

Required Approvals: Anthem and Trigon shareholders
Virginia Bureau of Insurance

Closing: Expected in 3 to 6 months

4

Industry Leading Scale and Market Share

Revenues (2001) (1)

Revenues in \$bn	
AET	\$23.7
UNH	\$23.2
CI	\$16.4
WLP	\$13.5
ATH(2) and TGH	\$13.0
PHSY	\$11.7
ATH(2)	\$10.1
HUM	\$10.1
HNT	\$10.0
TGH	\$2.9

Medical Membership (2001)

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

Members in mm

AET	17.2
UNH	16.5
CI	14.4
WLP	13.0
ATH (2) and TGH	10.0
ATH (2)	7.9
HUM	6.4
HNT	5.5
PHSY	3.4
TGH	2.1

1 Excludes investment income and net realized gains

2 Excludes Kansas (pending)

5

Blue Cross Blue Shield Consolidation

Number of Plans

1986	134
1995	67
1999	50
2001	45

Source: Blue Cross and Blue Shield Association

6

Anthem Membership Growth in Millions

1999	(bar graph indicates approximately 6.265)
2000	(bar graph indicates approximately 7.27)
2001	(bar graph indicates approximately 7.883)
1st Qtr. 2002	(bar graph indicates approximately 8.171)

7

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

Industry Leading Scale and Market Share (As of December 31, 2001)

State -----	Membership (millions) -----	Market Share (percentage) -----	Rank ----
Ohio	2.3	22	1
Indiana	1.7	33	1
Connecticut	1.2	39	1
Kentucky	1.1	38	1
Colorado	0.6	18	1
Maine	0.5	44	1
New Hampshire	0.5	47	1
Nevada	0.2	11	2
Kansas	0.7	40	1
Virginia	2.1	35	1

8

Anthem 1Q02 Results vs. 1Q01

	Operating Revenue (\$mm) -----	Growth -----	Operating Gain (\$mm) -----	Growth -----	Margin (%) -----	Membership Growth (%) -----
Consolidated (EPS Growth 45%)	\$2,748.6	10%	\$106.6	78%	3.9%	7%
Midwest	\$1,451.8	19%	\$54.1	26%	3.7%	7%
East	\$985.3	13%	\$42.2	87%	4.3%	5%
West	\$221.2	25%	\$7.5	NM	3.4%	22%
Specialty	\$120.1	35%	\$12.4	65%	10.3%	NM

[a box encloses the consolidated information]

9

Commitment to Quality and Service

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

- > Anthem ranked third on Fortune Magazine's Most Admired Health Care Companies list
- > Four of our HMOs Ranked in Top 35 in the country by NCQA
- > Award winning disease management programs developed with physicians and hospitals
- > Founding member of CAQH and active in key pilot programs

Commitment to Our Communities

- Committed to improving the communities in which we live and work
- Honors this pledge by encouraging associates to volunteer and donating funds to support charitable organizations across 8 states
- Named to United Way National Leadership Program
 - One of only 136 in the U.S. and the only Blue Plan

11

Mission

To Improve the Health
of the People We Serve

12

Unique Strengths of Anthem

- o Diversity in products, geography, customer mix
- o Powerful Blue Cross and Blue Shield brand
- o Disciplined focus on business operations
- o Strong momentum in financial and operational performance
- o Growth opportunities in all markets.

13

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Edgar Filing: TRIGON HEALTHCARE INC - Form 425

This presentation contains certain forward-looking information about Anthem, Trigon and the combined company after completion of the transactions that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of Anthem and Trigon, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include: those discussed and identified in public filings with the U.S. Securities and Exchange Commission made by Anthem and Trigon; trends in health care costs and utilization rates; our ability to secure sufficient premium rate increases; competitor pricing below market trends of increasing costs; increased government regulation of health benefits and managed care; significant acquisitions or divestitures by major competitors; introduction and utilization of new prescription drugs and technology; a downgrade in our financial strength ratings; litigation targeted at health benefits companies; our ability to contract with providers consistent with past practice; our ability to consummate Anthem's acquisition of Trigon, to achieve expected synergies and operating efficiencies in the Trigon acquisition and to successfully integrate our operations; our expectations regarding the timing, completion and accounting and tax treatments of the transactions and the value of the transaction consideration; and general economic downturns. You are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Neither Anthem nor Trigon undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. You are also urged to carefully review and consider the various disclosures in Anthem's and Trigon's various SEC reports, including but not limited to Annual Reports on Form 10-K for the year ended December 31, 2001, and the 2002 quarterly Form 10-Q filings.

14

Anthem will be filing a registration statement on Form S-4, containing a proxy statement/prospectus for Anthem and Trigon, and other documents with the Securities and Exchange Commission. Investors and securityholders are urged to read the registration statement containing the proxy statement/prospectus and any other relevant documents filed with the SEC when they become available because they will contain important information. Investors and securityholders will be able to receive the registration statement containing the proxy statement/prospectus and other documents free of charge at the SEC's website, www.sec.gov, from Anthem Investor Relations at 120 Monument Circle, Indianapolis, IN 46204-4903 or from Trigon Investor Relations at 2015 Staples Mill Road, Richmond, VA 23230. Information concerning the identity of Anthem's participants in the solicitation is set forth in Anthem's current report on Form 8-K, which was filed with the Securities and Exchange Commission on April 30, 2002.

15

[ANTHEM LOGO]

Annual Meeting of Shareholders

May 13, 2002

16

Questions

and

Discussion

17