

**ANTHEM INSURANCE COMPANIES, INC.**

**a mutual insurance company organized  
and existing under the Indiana Insurance Law**

**PLAN OF CONVERSION  
TO A STOCK INSURANCE COMPANY**

**under Ind. Code 27-15-2-2**

**Proposed by the Board of Directors of  
Anthem Insurance Companies, Inc. on  
June 18, 2001**

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**ANTHEM INSURANCE COMPANIES, INC.**

**PLAN OF CONVERSION  
TO A STOCK INSURANCE COMPANY**

This Plan of Conversion to a Stock Insurance Company (this "Plan") has been proposed by the Board of Directors (the "Board") of Anthem Insurance Companies, Inc., a mutual insurance company organized and existing under the laws of the State of Indiana ("Anthem Insurance"), by resolutions of the Board duly adopted at a meeting duly called and held on June 18, 2001 (the "Adoption Date"). Capitalized terms have the meanings set forth in Article XIII.

**Preliminary Statements**

A. This Plan provides for the conversion of Anthem Insurance from a mutual insurance company into a stock insurance company pursuant to Ind. Code 27-15-2-2, and otherwise in accordance with Ind. Code 27-15 (the "Indiana Demutualization Law"), and the concurrent establishment of an Indiana domiciled parent company for Anthem Insurance through the transactions described herein (the "Conversion").

B. The principal purpose of the Conversion is to improve Anthem Insurance's access to capital through the public markets. Having access to the public markets through Anthem, Inc. (described in Section 1.2(a)) will enhance Anthem Insurance's financial flexibility by allowing it to obtain equity capital from sources that are available to a stock company, but not to a mutual insurance company. In addition, the Conversion will benefit Anthem Insurance's Eligible Statutory Members by distributing the fair value of Anthem Insurance at the time of the Conversion (before giving effect to new capital raised in the initial public offering) to its Eligible Statutory Members in the form of cash or Anthem, Inc. common stock in exchange for their otherwise illiquid Membership Interests, which will thereupon be extinguished. Thus, Eligible Statutory Members will have the ability to realize economic value from the conversion of their Membership Interests that is not available to them so long as Anthem Insurance remains a mutual company.

C. The Conversion will also provide, upon receipt of requisite regulatory approvals, for Anthem Insurance to cease issuing or renewing the Guaranty Policies issued by Anthem Insurance in connection with its merger in 1993 with Southeastern Mutual Insurance Company, a mutual insurance company domiciled in Kentucky, its merger in 1995 with Community Mutual Insurance Company, a mutual insurance company domiciled in Ohio, and its merger in 1997 with Blue Cross & Blue Shield of Connecticut, Inc., a mutual insurance company domiciled in Connecticut. Those Guaranty Policies have been issued to protect and preserve the membership interests of the members of the merged mutual companies and to grant Membership Interests to certain customers of the successor insurers to those merged mutual companies, and continued issuance of Guaranty Policies will no longer be needed or appropriate upon completion of the Conversion. Pursuant to Sections 7.2, 7.3, 7.4, 7.5 and 7.6 of Anthem Insurance's Third Amended and Restated Articles of Incorporation, former members of Southeastern Mutual Insurance Company, Community Mutual Insurance Company and Blue

Cross & Blue Shield of Connecticut, Inc., as well as customers of the successor insurers to those merged mutual companies, who were entitled to receive Guaranty Policies or Certificates of Membership, as applicable, in connection with the mergers are considered to have been issued their insurance policies directly by Anthem Insurance for the purpose of this Plan. Through the Conversion, Anthem Insurance will complete its obligations arising out of those mergers with respect to the Membership Interests of the members of those merged companies and certain customers of the successors to those companies following such mergers.

D. The Conversion will not, in any way, change policy premiums or health care benefits to Statutory Members or policyholders.

E. The Board believes that the Conversion will provide Anthem Insurance with greater financial flexibility. The Board believes that this financial flexibility will improve Anthem Insurance's access to capital to permit Anthem Insurance to expand existing business, develop new business opportunities and enhance its competitive position in the health benefits industry, and continue to improve service to customers. The Board, therefore, has unanimously determined that the Plan is in the best interests of Anthem Insurance, the Eligible Statutory Members and other Statutory Members and policyholders of Anthem Insurance, and is fair, reasonable and equitable to the Eligible Statutory Members and will not prejudice the interests of the other Statutory Members and policyholders of Anthem Insurance.

## **ARTICLE I**

### **Manner of Conversion**

The manner in which the Conversion will occur, and the insurance and other companies that will result from or be directly affected by the Conversion, are as follows:

Section 1.1. Conversion to a Stock Insurance Company. In accordance with the Indiana Demutualization Law, Anthem Insurance will as of and following the Effective Date of the Conversion become a stock insurance company, organized and existing under the Indiana Insurance Law (Ind. Code 27-1 et. seq.). The Articles of Incorporation and By-Laws of Anthem Insurance, as amended upon the Effective Date of the Conversion, will be substantially in the forms attached as Exhibit A and Exhibit B, respectively. The Conversion is intended to qualify as a tax-free reorganization described in Section 368 of the Internal Revenue Code of 1986, as amended (the "Code").

Section 1.2. Parent Company. (a) All of the outstanding capital stock of Anthem Insurance will, on and immediately following the Effective Date of the Conversion, be held by Anthem, Inc., a corporation to be formed under the Indiana Business Corporation Law. Anthem, Inc. will constitute a "parent company," meeting the requirements of Ind. Code 27-15-16-1. The Articles of Incorporation and By-Laws of Anthem, Inc. will be substantially in the forms attached as Exhibit C and Exhibit D, respectively.

(b) Anthem, Inc. will initially be formed as a wholly owned subsidiary of Anthem Insurance. On the Effective Date of the Conversion and immediately prior to the cancellation of the capital stock of Anthem, Inc. then held by Anthem Insurance, as

contemplated by Section 1.2(c)(iii) below, the Eligible Statutory Members will be entitled to receive the consideration described in Article V of this Plan.

(c) The Conversion will be effected through the following structure or series of transactions in the following order:

- (i) Anthem Insurance will convert to and become a stock company and issue to Anthem, Inc. all of the outstanding capital stock of Anthem Insurance.
- (ii) Anthem, Inc. will distribute to the Eligible Statutory Members the consideration described in Article V of this Plan.
- (iii) The capital stock of Anthem, Inc. owned by Anthem Insurance will be cancelled and cease to exist.
- (iv) The foregoing transactions are intended to qualify as tax-free transactions within the meaning of Sections 351 and 368 of the Code.

Section 1.3. Effectiveness of the Plan. The Plan and the amendment and restatement of Anthem Insurance's Articles of Incorporation contemplated by Section 1.1 (the "Articles Amendment") will become effective upon the date and time of approval of appropriate Articles of Amendment by the Indiana Secretary of State as provided in Ind. Code 27-1-8 unless a later date and time are specified in the Articles Amendment, in which event the Plan and the Articles Amendment will become effective and take place at the later date and time. The Effective Date shall be no more than 12 months after the date on which the Commissioner issues the order contemplated by Section 10.2, unless such period is extended by the Commissioner.

Section 1.4. Tax Considerations. Anthem Insurance will not cause or allow the Plan to become effective unless, on or prior to the Effective Date, and in any event reaffirmed as of the Effective Date, Anthem Insurance has received written Tax Opinions (and a ruling from the Internal Revenue Service, if deemed appropriate by Anthem Insurance), which collectively provide assurance substantially to the effect that, for federal income tax purposes:

- (i) Neither Anthem Insurance nor Anthem, Inc. will recognize gain or loss as a result of the Conversion.
- (ii) Each Eligible Statutory Member receiving solely Common Stock pursuant to Article VI will not recognize gain or loss as a result of the Conversion.
- (iii) Each Eligible Statutory Member receiving cash pursuant to Article VI will recognize taxable income in the year in which the cash is received. The amount of such cash will generally constitute long term capital gain, provided that, on the date of the Conversion, the Policy held by such Eligible Statutory Member constitutes a capital asset and such Eligible Statutory Member's holding period of the

Policy in respect of which the payment is made is more than 12 months, and subject to the limitations of Section 302 of the Code, if applicable.

- (iv) The basis of the shares of Common Stock to be received by each Eligible Statutory Member pursuant to Article VI will be zero.
- (v) Provided that the applicable Policy or Policies held by an Eligible Statutory Member constitute a capital asset on the date of the Conversion, the holding period of the shares of Common Stock to be received by such Eligible Statutory Member pursuant to Article VI will include the period during which the Eligible Statutory Member held (A) such Policy, and (B) all Policies of which the Eligible Statutory Member has been a Holder from time to time through the Effective Date and under which the Eligible Statutory Member has had continuous health care benefits coverage with the same company (or such predecessor company from which its business was assumed in a merger described in Preliminary Statement C) without a break in coverage of more than one day.
- (vi) The summary of the principal income tax consequences to Eligible Statutory Members of their receipt of consideration set forth in the information provided to Statutory Members, to the extent it describes matters of law or legal conclusions, is, subject to the limitations and assumptions set forth therein, an accurate summary of the material federal income tax consequences to Eligible Statutory Members of the consummation of the Conversion under the federal income tax law and remains accurate under the applicable federal income tax law and other relevant authorities in effect as of the Effective Date, except for any developments between the date of the information provided to Statutory Members and the Effective Date that Anthem Insurance has determined are not materially adverse to the interests of Eligible Statutory Members.

Section 1.5. ERISA Plans; Tax-Qualified Policies. (a) Anthem Insurance has applied to the Department of Labor for an exemption from Section 406(a) of the Employee Retirement Income Security Act of 1974 ("ERISA") and Section 4975 of the Code with respect to the receipt of consideration pursuant to the Plan in respect of employee benefit plans subject to the provisions of such sections (the "DOL Exemption"). Notwithstanding any other provision of this Plan, if such exemption is not granted prior to the Effective Date of the Plan, Anthem Insurance may delay payment of such consideration, if necessary, for a period not to exceed six months following the Effective Date, by depositing such consideration in the form of cash or stock in a trust established in accordance with Section 12.6. Anthem Insurance will not cause or allow the Conversion to become effective unless, on or prior to the Effective Date, (i) the Department of Labor has granted such exemption, (ii) Anthem Insurance has, upon advice of counsel, otherwise determined and reported to the Commissioner that the distribution of

consideration will not have an adverse effect on Eligible Statutory Members or on Anthem Insurance, or that the distribution of consideration will not constitute a prohibited transaction under ERISA or the Code, or (iii) a trust, as described in the preceding sentence, has been established in accordance with Section 12.6.

(b) Neither Anthem Insurance nor Anthem, Inc. nor any of their subsidiaries nor any of their or their subsidiaries' employees, officers or directors are or will be Eligible Statutory Members under any benefit or welfare plan established or maintained by Anthem Insurance, Anthem, Inc. or any of their subsidiaries for the benefit of such employees, officers or directors.

(c) There are no Policies issued by Anthem Insurance that are part of tax-qualified retirement funding arrangements or individual retirement annuities described in Sections 401(a), 403(a), 403(b), 408 or 408A of the Code.

Section 1.6. Public Sale of Common Stock. (a) As contemplated by Ind. Code 27-15-3-2(12)(E), on the Effective Date, Anthem, Inc. will offer and sell to the public shares of Common Stock (the "Public Offering") to raise capital for Anthem, Inc. and to provide cash for the cash payments to be made by Anthem, Inc. under Article VI.

(b) Anthem Insurance and Anthem, Inc. will select as managing underwriters for the Public Offering investment banking firms of substantial national and/or regional reputation. The managing underwriters will conduct the Public Offering in a manner generally consistent with customary practices for initial public offerings of a type, size and nature comparable to the Public Offering. The Commissioner and the Commissioner's financial advisor will be given access to the process and information that leads to the pricing of the Common Stock in the Public Offering, it being understood that at the conclusion of the process a committee of the Board of Directors of Anthem, Inc. will make the final pricing determination in executive session. Such committee will consist of directors, the majority of whom are not officers or employees of Anthem Insurance or Anthem, Inc. or any of their subsidiaries, and no employees, officers or directors of, or legal counsel to, any of the underwriters for the Public Offering will serve on such committee. The Conversion will be subject to the Commissioner's (or her designee's) concurrence that the terms of the Public Offering are fair, reasonable and equitable to the Eligible Statutory Members.

(c) In addition to the Public Offering, Anthem, Inc. may also raise capital or obtain funds substantially concurrently with the Public Offering through one or more of the following ("Other Capital Raising Transactions"):

- (i) A public offering or private placement of mandatorily convertible securities or trust preferred securities or similar instruments;
- (ii) A public offering or private placement of convertible or non-convertible preferred securities or similar instruments; and
- (iii) A public offering or private placement of debt securities, commercial paper issuances or bank or other borrowings.

(d) The material terms of the securities to be offered in any proposed Other Capital Raising Transactions to be conducted substantially concurrently with the Public Offering will be provided to the Commissioner for the Commissioner's review not less than 30 days prior to the earlier of the distribution of any preliminary prospectus or preliminary offering memorandum, or commencement of the roadshow, or similar activity relating to any Other Capital Raising Transaction. The Conversion will be subject to the Commissioner's concurrence that the terms of any Other Capital Raising Transactions are fair, reasonable and equitable to the Eligible Statutory Members.

(e) Anthem, Inc. will contribute to Anthem Insurance from the proceeds of the Public Offering and any Other Capital Raising Transactions an amount not less than the aggregate amount of the out-of-pocket costs and expenses incurred by Anthem Insurance in connection with the Conversion and related transactions. Any additional proceeds from the Public Offering and any Other Capital Raising Transactions will be used at the discretion of Anthem, Inc. for working capital and other general corporate purposes of Anthem, Inc.

(f) Upon the completion of the Public Offering and any Other Capital Raising Transactions, Anthem Insurance's paid-in capital stock and surplus will be equal to an amount not less than the minimum paid-in capital stock and surplus required of a new domestic stock insurer upon initial authorization to transact like kinds of insurance.

(g) The Indiana Department of Insurance and its financial advisors may, at their request, monitor the conduct of the Public Offering and any Other Capital Raising Transactions for compliance with the conditions set forth in this Section 1.6.

Section 1.7. Continuation of Corporate Existence. Upon Anthem Insurance's conversion from a mutual insurance company into a stock insurance company pursuant to this Plan, Anthem Insurance shall continue as a stock insurance company as provided in Ind. Code 27-15-6-4.

## **ARTICLE II**

### **Extinguishment of Membership Interests**

All Membership Interests will be extinguished and will cease as of the Effective Date of the Conversion. The extinguishing of Membership Interests will occur by operation of law under the Indiana Demutualization Law on the Effective Date. The contract rights under every Policy will continue in force under the terms of the contract.

Anthem Insurance will cease issuing or renewing Guaranty Policies as of the Effective Date, or as of such later date as all regulatory approvals required therefor have been obtained. If all such requisite regulatory approvals have not been obtained by the Effective Date, Anthem Insurance will continue to issue and renew Guaranty Policies in those states where such regulatory approvals have not yet been obtained, to the customers of its subsidiaries in those states specified in the respective merger agreements relating to the mergers described in Preliminary Statement C of this Plan; and the terms of such Guaranty Policies will be as required by such merger agreements except that provisions relating to Membership Interests will be

inapplicable and will be omitted. At the same time that Anthem Insurance ceases to issue or renew Guaranty Policies with respect to a subsidiary as provided above, Anthem Insurance will issue a corporate guaranty to that subsidiary, the form of which guaranty will be subject to prior approval or non-disapproval by the Commissioner pursuant to Ind. Code 27-1-23-4.

### **ARTICLE III** **Distribution of Consideration**

The Eligible Statutory Members will, upon the extinguishing of their Membership Interests, become entitled to receive aggregate consideration equal to the fair value of Anthem Insurance at the time of the Conversion as provided in Article V of this Plan.

### **ARTICLE IV** **Determination of the Fair Value of Anthem Insurance**

Anthem Insurance has, with the assistance of its Financial Advisor and other advisors retained in connection with the Conversion and Public Offering, structured the Conversion and proposed Public Offering to provide fair value to the Eligible Statutory Members, and this Plan provides for Eligible Statutory Members to receive aggregate consideration equal to the fair value of Anthem Insurance at the time of the Conversion. In that regard, the Board has received written fairness opinions from the Financial Advisor, a qualified, independent financial advisor, confirming, subject to the limitations and qualifications in such opinions (which opinions will be reaffirmed to the Board as of the Effective Date), that: (i) the provision of aggregate consideration upon the extinguishing of Membership Interests under this Plan and the Articles Amendment is fair to the Eligible Statutory Members, as a group, from a financial point of view, and (ii) the total consideration to be paid to the Eligible Statutory Members under this Plan is equal to or greater than the statutory surplus of Anthem Insurance.

### **ARTICLE V** **Form and Amount of Consideration to be Distributed**

Section 5.1. Aggregate Amount or Value. The aggregate consideration to be distributed to the Eligible Statutory Members in exchange for their Membership Interests will be shares of Common Stock or cash, as provided in Article VI, equal in value to one hundred million (100,000,000) shares of Common Stock (the "Allocable Shares"). Solely for purposes of calculating the amount of such consideration, each Eligible Statutory Member will be allocated (but not necessarily issued) shares of Common Stock in accordance with this Plan. The cash component of such aggregate consideration will be at least the amount of cash required to pay the distributions to Eligible Statutory Members of consideration as provided in Section 6.1(c). The cash component may be greater than such minimum amount pursuant to Section 6.1(d).

Section 5.2. Common Stock. The Common Stock will be a class of securities that is registered under the Securities Exchange Act of 1934, as amended, and that is listed for trading on a nationally recognized stock exchange or on the Nasdaq National Market. Anthem,

Inc. will use its best efforts to maintain such a listing for so long as Anthem, Inc. is a publicly traded company. The listing, and the efforts by Anthem, Inc. to maintain this listing, will satisfy any duty Anthem Insurance or Anthem, Inc. may have to assure that an active public trading market for the trading of Common Stock will develop. Neither Anthem Insurance nor Anthem, Inc. will have any obligation to provide a procedure for the disposition of shares of Common Stock, except as expressly stated in this Plan.

## **ARTICLE VI**

### **Payment of Consideration to Eligible Statutory Members**

Section 6.1. Method of Election. Every Eligible Statutory Member will be entitled to shares of Common Stock or cash in accordance with the following provisions:

(a) Eligible Statutory Members who affirmatively request Common Stock in accordance with this Section 6.1(a) will be paid in shares of Common Stock, subject to the limitations set forth in Section 6.1(c). Eligible Statutory Members may elect to be paid in shares of Common Stock by properly completing the card included with the materials accompanying the notice of the Special Meeting and returning the card to Anthem Insurance. Anthem Insurance must receive the card on or prior to the date set by Anthem Insurance, which date shall be no earlier than the date set for the receipt of proxies to be used at the Special Meeting.

(b) Eligible Statutory Members who fail to make a Common Stock election in accordance with Section 6.1(a), may be paid in cash, subject to the limitations set forth in Section 6.1(d).

(c) Notwithstanding the foregoing provisions of Section 6.1(a), any Eligible Statutory Member (i) whose receipt of Common Stock would, in the judgment of Anthem, Inc., upon advice from counsel, fail to comply with the securities registration or other requirements of the applicable securities laws of the state of domicile of such Eligible Statutory Member (which state of domicile shall be determined based on such Eligible Statutory Member's mailing address as shown on the records of Anthem Insurance) or to whom the requirements necessary to qualify Common Stock for issuance in the state of domicile of such Eligible Statutory Member are excessively burdensome or expensive or are likely to be subject to unreasonable delays or (ii) whose address for mailing purposes as shown on the records of Anthem Insurance is located outside the United States, will receive cash.

(d) At the discretion of Anthem Insurance and Anthem, Inc., and subject to receipt of sufficient proceeds from the Public Offering or availability of funds from other sources (including, without limitation, Other Capital Raising Transactions), cash may be paid to Eligible Statutory Members who fail to make a Common Stock election as provided in Section 6.1(a). The maximum amount of "available cash" that may be paid pursuant to this Section 6.1(d) shall be determined by Anthem Insurance and Anthem, Inc. based upon such companies' liquidity and capital resources positions, and such tax and other factors as are deemed appropriate in the judgment of such companies (it being understood that Anthem, Inc. and Anthem Insurance intend and will use their best commercially reasonable efforts, consistent with their capital and liquidity needs and projections, to assure that funds sufficient to pay cash to a substantial number of Eligible Statutory Members will be utilized for cash payments under this Section 6.1(d)).

Cash paid to Eligible Statutory Members under this Section 6.1(d) will be based on the number of shares allocated to such Eligible Statutory Members in increasing order until the total amount of available cash has been fully distributed, with those Eligible Statutory Members with the fewest number of Allocable Shares being paid in cash first. Furthermore, if there are two or more such Eligible Statutory Members under this Section 6.1(d) who have the same number of Allocable Shares and there is insufficient available cash to pay all such Eligible Statutory Members, then the remaining available cash shall be distributed first to those of such Eligible Statutory Members with the earliest date of coverage. After application of the foregoing procedures, all other Eligible Statutory Members (that is, Eligible Statutory Members other than those receiving cash pursuant to Section 6.1(c) or those already receiving Common Stock pursuant to Section 6.1(a)), will be paid consideration in the form of shares of Common Stock. All calculations required to be made pursuant to this Section 6.1(d) will be based on consultation with and the advice of the tax advisor that provided the Tax Opinion required under Section 1.4 of this Plan.

Section 6.2. Payment in Common Stock. (a) Anthem Insurance and Anthem, Inc. will (i) issue to each Eligible Statutory Member, in book-entry form as uncertificated shares, the shares of Common Stock allocated to such Eligible Statutory Member for which such Eligible Statutory Member will not receive consideration in the form of cash, and (ii) use commercially reasonable efforts to mail to each such Eligible Statutory Member an appropriate notice that a designated number of shares of Common Stock have been registered in the name of such Eligible Statutory Member not later than six weeks or such longer period as approved by the Commissioner (but not later than six months, except as provided under Section 12.6) after the Effective Date. Upon written request of the registered holder of such shares issued in book-entry form as uncertificated shares, Anthem, Inc. will mail a stock certificate representing such shares to or at the direction of the registered holder.

(b) Common Stock distributed to any Eligible Statutory Member who is allocated and receives thirty thousand (30,000) or more shares of Common Stock may not be sold, transferred, pledged, hypothecated or otherwise transferred or assigned by such Eligible Statutory Member until one hundred eighty (180) days after the Effective Date, except for: (i) sales in accordance with the large holder sale program procedures and restrictions set forth in Exhibit E to this Plan, (ii) any transfer that occurs by operation of law, or (iii) any transfer as to which Anthem, Inc. consents or agrees in writing at the written request of the holder thereof. With the consent of the Commissioner, upon a showing of good cause by Anthem, Inc., the detailed terms and provisions of the large holder sale program procedures and restrictions set forth in Exhibit E may be corrected, modified or revised.

Section 6.3. Payment in Cash. (a) If consideration is to be paid to an Eligible Statutory Member in the form of cash under Section 6.1(c) or 6.1(d), the amount of such consideration will be equal to the number of shares of Common Stock allocated to the Eligible Statutory Member as determined in accordance with Article VII, multiplied by (i) the price at which Common Stock is offered to the public in the Public Offering (the "IPO Price") or (ii), if the average of the closing prices of the Common Stock (on the primary exchange where the Common Stock is listed) for the twenty (20) consecutive trading days commencing with the Effective Date exceeds 110% of the IPO Price, by the sum of the IPO Price plus the lesser of (A)

the amount by which such average closing price exceeds 110% of the IPO Price or (B) 10% of the IPO Price.

(b) If consideration is to be paid to an Eligible Statutory Member in cash under Section 6.1, Anthem, Inc. will use commercially reasonable efforts to make payment of such consideration not later than six weeks or such longer period as approved by the Commissioner (but not later than six months, except as provided under Section 12.6) after the Effective Date of this Plan, by check net of any applicable withholding tax.

Section 6.4. Commission-Free Odd Lot Program. (a) In order to benefit those Eligible Statutory Members who receive fewer than 100 shares of Common Stock, Anthem, Inc. will, subject to the provisions of Section 6.4(b), establish a commission-free program which will begin at such time after the 180<sup>th</sup> day following the Effective Date and before the 12 month anniversary of the Effective Date, and will continue for three months or for such longer period of time as the Board of Directors of Anthem, Inc. may determine to be appropriate and in the best interest of Anthem, Inc. and its shareholders. Pursuant to such program, each Eligible Statutory Member who receives under this Plan of Conversion and continues to hold 99 or fewer shares of Common Stock will be entitled to sell at prevailing market prices all, but not less than all, of the shares of Common Stock received by such shareholder, without paying brokerage commissions or administrative or similar expenses. As a part of such program, each Eligible Statutory Member who receives under this Plan of Conversion and continues to hold 99 or fewer shares of Common Stock will also be entitled to purchase at prevailing market prices additional shares to round-up their holdings to 100 shares, without paying brokerage commissions or other administrative or similar expenses. Anthem, Inc. will establish administrative procedures for the delivery of requests to sell or purchase shares of Common Stock and for the sale or purchase of such shares of Common Stock through such program. Such administrative procedures may include procedures under which shares of Common Stock are offered to Anthem, Inc. for repurchase at prevailing market prices when, during any particular day of the program, the number of shares requested to be sold exceeds the number of shares requested to be purchased pursuant to round-up requests.

(b) Such program will be conducted pursuant to an exemption from the registration requirements of the Securities Act of 1933 and will otherwise comply with all applicable securities and other laws. With the consent of the Commissioner, upon a showing of good cause by Anthem, Inc., the terms, procedures and provisions (including time periods), of such program may be extended, modified, revised or limited, or such program may be delayed or suspended.

## **ARTICLE VII**

### **Method or Formula for the Allocation of Consideration**

The Board has received a written actuarial opinion from Robert H. Dobson, Dale S. Hagstrom, and Daniel J. McCarthy, consulting actuaries associated with Milliman USA, as to the reasonableness and appropriateness of the methodology or formula used to allocate consideration among Eligible Statutory Members, consistent with the Indiana Demutualization

Law. The method or formula for the allocation of the consideration among the Eligible Statutory Members will be as follows:

Section 7.1. Allocation of Allocable Shares. Each Eligible Statutory Member will be allocated from the Allocable Shares a number of shares of Common Stock equal to the sum of:

(a) a fixed component of consideration equal to twenty-one (21) shares of Common Stock (regardless of the size, type or number of Policies held by such Eligible Statutory Member); and

(b) a variable component of consideration equal to the portion, if any, of the Aggregate Variable Component allocated with respect to such Eligible Statutory Member.

Section 7.2. Aggregate Fixed Component and Aggregate Variable Component. The Allocable Shares will be allocated first to provide for the number of shares of Common Stock required for the aggregate fixed component of consideration allocable pursuant to Section 7.1(a) in respect of all Eligible Statutory Members (the "Aggregate Fixed Component"), and the remainder of the Allocable Shares will constitute the aggregate variable component of consideration (the "Aggregate Variable Component").

Section 7.3. Allocation of Aggregate Variable Component. (a) The Aggregate Variable Component will be allocated in accordance with the principles set forth below and the calculation of Actuarial Contribution described in the Actuarial Contribution Memorandum (the "Actuarial Contribution Memorandum") attached as Exhibit F.

(b) The Aggregate Variable Component will be allocated to Eligible Statutory Members as follows:

(i) Such allocation will be made by multiplying an Equity Share (defined below) for each Eligible Statutory Member by the number of shares of Common Stock constituting the Aggregate Variable Component and, for each Eligible Statutory Member, rounding such result to the nearest whole number of shares (with one-half being rounded upward). Because of such rounding, the aggregate of Eligible Statutory Members' variable components will not necessarily be equal to the Aggregate Variable Component.

(ii) The Equity Share for each Eligible Statutory Member will be equal to the ratio of the Actuarial Contribution attributable to such Eligible Statutory Member to the sum of all Actuarial Contributions attributable to all Eligible Statutory Members.

- (iii) Anthem Insurance will make a reasonable determination of the dollar amount of the Actuarial Contribution for each Eligible Statutory Member, which will be zero or a positive number (negative Actuarial Contributions will be deemed and treated as zero Actuarial Contributions), according to the principles and methodologies set forth in detail in the Actuarial Contribution Memorandum.
- (iv) Calculation of Actuarial Contributions will take into account and include the rights and interests of Eligible Statutory Members holding Policies, including Guaranty Policies (or certificates of coverage thereunder, as applicable), to the full extent called for by Section 8.5 of Anthem Insurance's Articles of Incorporation as in effect prior to the Effective Date.
- (v) Each such Actuarial Contribution will be determined on the basis of Anthem Insurance's records as of the Actuarial Contribution Date.

**ARTICLE VIII**  
**Closed Block**

Anthem Insurance has no Policies or other insurance policies or health care benefit contracts or certificates that require the payment of dividends or as to which any person has any reasonable expectation for the payment of dividends. Accordingly, no closed block nor any other method or procedure will be established to provide for the determination and preservation of reasonable dividend expectations of Eligible Statutory Members or other policyholders.

**ARTICLE IX**  
**Address and Telephone Number of Anthem**

The address and telephone number of Anthem Insurance will be unchanged by the Conversion, and each Statutory Member and other policyholder of Anthem Insurance will receive notification of such information along with a notice of hearing outlined in Section 10.3 of this Plan and in Ind. Code 27-15-4-4.

**ARTICLE X**  
**Approval by the Commissioner**

Section 10.1 Application. Anthem Insurance will file with the Commissioner an application (the "Application") for approval of this Plan, including the Articles Amendment. The Application will include the documents and information required by Ind. Code 27-15-3-2.

Section 10.2. Commissioner's Public Hearing on the Plan; Commissioner's Order.

This Plan is subject to the approval of the Commissioner. The Commissioner will hold a hearing on the Plan and the Articles Amendment (the "Public Hearing"). Statutory Members and other persons wishing to make comments and submit information may submit written statements before or at the Public Hearing and may also appear and be heard at the Public Hearing. The Commissioner will issue within thirty (30) days after the last day of the Public Hearing an order approving or disapproving the Application, the Plan and the Articles Amendment pursuant to Ind. Code 27-15-4-7.

Section 10.3. Notice of Public Hearing. (a) Written notice by Anthem Insurance

of the Public Hearing, in a form satisfactory to the Commissioner, will be mailed by first class mail by Anthem Insurance at Anthem Insurance's expense at least thirty (30) days prior to the Public Hearing to Anthem Insurance's Statutory Members and other policyholders. Such notice will be mailed to the address of each Statutory Member or other policyholder of Anthem Insurance as such address is shown on Anthem Insurance's records on the Adoption Date (or such other address as may be provided in writing to Anthem Insurance by the Voting Member a reasonable period of time prior to the mailing of the notice). Such notice of Public Hearing will include a brief statement of the subject of the hearing, the date, time and location of the Public Hearing, a description of the Statutory Members eligible to vote on the Plan and the Articles Amendment, a statement that the Statutory Members and the public may examine at the Indiana Department of Insurance the public record portion of the Application submitted to the Commissioner, the address and telephone number of Anthem Insurance, and such additional information as the Commissioner may require.

(b) Anthem Insurance will also give prior notice of such Public Hearing by publication in The Indianapolis Star and USA Today (National Edition) (or, with the approval of the Commissioner, any other newspaper of national circulation) and in a newspaper of any other city specified by the Commissioner. The notice will be published at least two times at intervals of not less than two weeks, the first publication to be not more than forty-five days and the last publication not less than fifteen days before the Public Hearing. The notice of the Public Hearing will be in a form satisfactory to the Commissioner and state the purpose of the Public Hearing and the date, time, and place where the Public Hearing will occur.

Section 10.4. Findings Required for Approval. The Commissioner shall approve

the Application and permit the Conversion under this Plan and the Articles Amendment if the Commissioner finds, following the Public Hearing: (a) that the amount and form of consideration is fair in the aggregate and to each member class; (b) that this Plan and the Articles Amendment comply with the Indiana Demutualization Law and other applicable laws; are fair, reasonable and equitable to the Eligible Statutory Members; and will not prejudice the interests of the other Statutory Members and policyholders of Anthem Insurance; and (c) that the total consideration provided to Eligible Statutory Members upon the extinguishing of Anthem Insurance's Membership Interests is equal to or greater than the surplus of Anthem Insurance.

**ARTICLE XI**  
**Approval by Statutory Members**

Section 11.1. Voting. (a) Anthem Insurance will hold a special meeting of Statutory Members (the "Special Meeting") within a time period complying with Ind. Code 27-15-5-2. At the Special Meeting, the Statutory Members eligible to vote will be entitled to vote on the proposal to approve the Plan and the Articles Amendment in person or by proxy. The Statutory Members eligible to vote at the Special Meeting will be the Statutory Members of Anthem Insurance as of the Adoption Date ("Voting Members"), which will be the record date for the Special Meeting. A Voting Member may vote by proxy if the proxy was solicited and obtained from the Voting Member for the express purpose of voting on the Plan and the Articles Amendment, and if the proxy solicitation materials were provided to and approved by the Commissioner before they were mailed or provided to the Voting Member.

(b) The Plan and the Articles Amendment are subject to the approval of not less than two-thirds of the votes of the Voting Members voting thereon in person or by proxy at the Special Meeting at which at least 10% of the Voting Members must be represented in person or by proxy. The Voting Members will vote as a single class.

(c) Each Voting Member will be entitled to one vote, regardless of the size, type or number of Policies held by such Voting Member. Two or more persons who qualify as Voting Members under a single Policy will be deemed one Voting Member for purposes of voting and collectively will be entitled to one vote.

Section 11.2. Notice of Special Meeting. (a) Anthem Insurance will mail notice of the Special Meeting by first class mail to all Voting Members. The notice will comply with Ind. Code 27-15-5-3 and set forth the reasons for the vote and the date, time and place of the Special Meeting, and will enclose one proxy form for each Voting Member. Such notice and proxy form will be mailed, at least 30 days prior to the Special Meeting, to the address of each Voting Member as it appears on the records of Anthem Insurance on the Adoption Date (or such other address as may be provided in writing to Anthem Insurance by the Voting Member a reasonable period of time prior to the mailing of the notice). The notice will be in a form satisfactory to the Commissioner.

(b) Such notice of the Special Meeting will be accompanied by a proxy form and information relevant to the Special Meeting, including a copy of this Plan and other explanatory information, all as set forth in Ind. Code 27-15-5-3.

**ARTICLE XII**  
**Additional Provisions**

Section 12.1. Holders of Policies. The Holder of any Policy as of any date specified in the Plan will be determined by Anthem Insurance on the basis of Anthem Insurance's records as of such date in accordance with the following provisions:

(a) The Holder of a Policy that is an individual insurance policy or health care benefits contract is the Person specified in such Policy as the policy or contract holder, unless no

policy or contract holder is so specified, in which case the Holder of the Policy will be deemed to be the Person in whose name the application for the Policy was made.

(b) Except as provided in Section 12.1(c), the Holder of a Policy that is a group insurance policy or group health care benefits contract is the Person or Persons specified in such Policy as the policy or contract holder unless no policy or contract holder is so specified, in which case the Holder is the Person (other than Anthem Insurance) on whose behalf the policy or contract was executed.

(c) The Holder of a Policy that is a certificate of coverage or participation issued under a group insurance policy or health benefits contract issued to an Administrative Trust is (i) with respect to such a Policy issued prior to the Ohio Merger, the employer, association or individual to whom the certificate of coverage was issued under the policy or contract or (ii) with respect to such a Policy issued after the Ohio Merger, (A) in the case of a certificate of coverage issued to an employer or association, the participants to whom reimbursement benefits under the certificate of coverage are payable (or on whose behalf payments may be made to providers) or (B) in the case of a certificate of coverage issued to an individual, that individual. The trustee of any such trust shall not be a Statutory Member or a Holder.

(d) Except as provided in Section 12.1(c), the Holder of a Policy that is a certificate of coverage issued under a group insurance agreement or health care benefits contract is the Person specified in the certificate of coverage as the holder thereof unless no holder or certificate holder is so specified, in which case the Holder of such Policy will be deemed to be the Person to whom reimbursement benefits under the certificate of coverage are payable (or on whose behalf payments may be made to providers).

(e) In no event may there be more than one Holder of a Policy, although more than one Person may constitute a single Holder. If a Person holds a Policy with one or more other Persons, they will constitute a single Holder with respect to the Policy, and any consideration allocated in accordance with Article VII will be distributed jointly to or on behalf of such Persons.

(f) Except as otherwise set forth in this Section 12.1, the identity of the Holder of a Policy is determined by Anthem Insurance without giving effect to any interest of any other Person in such Policy.

(g) In any situation not expressly covered by the foregoing provisions of this Section 12.1, or as to which application of the foregoing provisions is unclear, the Holder of a Policy, as reflected on the records of Anthem Insurance and determined in good faith by Anthem Insurance, will be presumed to be the Holder of such Policy for purposes of this Section 12.1, and, except for administrative errors, Anthem Insurance will not be required to examine or consider any other facts or circumstances.

(h) The mailing address of a Holder as of any date for purposes of the Plan will be the Holder's last known address as shown on the records of Anthem Insurance as of such date.

(i) Any dispute as to the identity of the Holder of a Policy or the right to vote or receive consideration will be determined in accordance with the foregoing or Ind. Code 27-15 or such other procedures as may be acceptable to the Commissioner.

Section 12.2. In Force. (a) A Policy will be deemed to be in force ("In Force") as of any date if, as shown on Anthem Insurance's records on such date, the effective date of such Policy occurs on or prior to such date, and as of such date the required premium has been received by Anthem Insurance and such Policy, as shown on Anthem Insurance's records on such date, has not expired or otherwise been surrendered or terminated; provided that a Policy will be deemed to be In Force during any applicable grace period for non-payment of premiums as administered by Anthem Insurance.

(b) With respect to a Policy that is a certificate of coverage or participation issued under a group insurance policy or health care benefits contract issued to an Administrative Trust, the Policy will be deemed to be In Force as of any date if, as of such date, the Holder has requested and has been approved or deemed approved for participation in the Administration Trust or coverage is otherwise in effect under the Policy, as shown on Anthem Insurance's records.

(c) Any dispute as to whether a Policy is In Force will be resolved in accordance with the foregoing or such other procedures as may be acceptable to the Commissioner.

Section 12.3. Confidentiality. Anthem Insurance will receive the confidential treatment of documents in accordance with Ind. Code 27-15-7 et seq.

Section 12.4. Acquisition of Ownership. Except for the acquisition by Anthem, Inc. of all of the outstanding capital stock of Anthem Insurance pursuant to Article II, for five years following the Effective Date of the Conversion no Person or Persons acting in concert (other than Anthem Insurance, Anthem, Inc., any other company that is directly or indirectly wholly-owned by Anthem, Inc., or any employee benefit plans or trusts sponsored by Anthem Insurance or Anthem, Inc.) may directly or indirectly acquire, or agree or offer to acquire, in any manner the beneficial ownership of five percent (5%) or more of the outstanding shares of any class of a voting security of Anthem Insurance or Anthem, Inc., other than in compliance with Ind. Code 27-15-13-2 or any regulations promulgated thereunder.

Section 12.5. Restriction on Stock to Directors and Executive Officers. For a period of six months following the Effective Date, neither Anthem, Inc. nor Anthem Insurance, nor any of their subsidiaries, will make any grants of Common Stock or options to purchase Common Stock to any director, executive officer or member of a specified group of additional senior management executives (approximately 50 in number) of Anthem, Inc. and Anthem Insurance. The exercise price per share of any options to purchase Common Stock granted to any such persons at the expiration of such time will be not less than 100% of the fair market value of Common Stock on the date of the grant of such option.

Section 12.6. Trust. Pursuant to Ind. Code 27-15-12-1, all or part of the consideration to be distributed to Eligible Statutory Members may be delayed by more than six

months following the Effective Date, but only by establishing one or more trusts for the purpose of holding assets on and following the Effective Date that are adequate to satisfy certain claims against Anthem Insurance and remaining unresolved on the Effective Date. Any such trust(s) will be effective and will hold assets on the Effective Date consisting of the consideration that otherwise would be distributed to affected Eligible Statutory Members. Any such trust(s), (a) will be in a form approved by the Commissioner, (b) will in all respects comply with the requirements of Ind. Code 27-15-12-2, (c) will be upon terms and conditions that ensure that the transactions described in this Plan qualify as tax-free transactions within the meaning of Sections 351 and 368 of the Code and (d) will provide that neither the Eligible Statutory Members nor the other policyholders of Anthem Insurance are subject to any income tax from any income received by any such trust(s) without the consent of the Commissioner.

Section 12.7. Amendment or Withdrawal of Plan. This Plan may be modified, amended, withdrawn or terminated only in a manner consistent with the provisions of the Indiana Demutualization Law and by action of the majority of directors on the Board of Anthem Insurance. After this Plan has been approved by the Voting Members pursuant to Article XI, no modification, amendment, withdrawal or termination of this Plan will require further approval by the Voting Members unless such further approval is required by the Board or the Commissioner or by applicable law.

Section 12.8. Corrections. Anthem Insurance may, until the Effective Date, by an instrument executed by its President, Chief Executive Officer or any Executive Vice President, attested by its Secretary or Assistant Secretary under Anthem Insurance's corporate seal and submitted to the Commissioner, make such modifications as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in the Plan (including the Exhibits). Anthem Insurance may in the same manner also make such modifications as may be required by the Commissioner after the Public Hearing as a condition of approval of the Plan. No such correction or modification will require approval by the Voting Members unless such approval is required by the Board or the Commissioner. Subject to the terms of the Plan, Anthem, Inc. may issue additional shares of Common Stock and take any other action it deems appropriate to remedy errors or miscalculations made in connection with the Plan.

Section 12.9 Adjustment of Share Numbers. In order to effect a filing range (in the registration statement under the Securities Act of 1933, as amended, relating to the Public Offering) for the price of the Common Stock, Anthem Insurance may adjust, by vote of the Board or a duly authorized committee thereof at any time before the Effective Date and with the prior approval of the Commissioner, the number of shares of Common Stock set forth in the definition of Allocable Shares. Upon such an adjustment, the number of shares set forth in Section 7.1(a) as the fixed component of consideration will be adjusted proportionately; and the number of shares resulting from any such adjustment will be rounded up or down to the nearest whole share.

Section 12.10. Notices. If Anthem Insurance complies substantially and in good faith with the Indiana Demutualization Law with respect to any required notice to Statutory Members, its failure in any case to give the notice to any Person entitled to notice does not impair the validity of actions taken under the Indiana Demutualization Law or this Plan or entitle the Person to any injunctive or other relief.

Section 12.11. Costs and Expenses. Anthem Insurance will pay the expenses of any accountants, actuaries, attorneys, and other experts hired by the Commissioner to review any matter under the Indiana Demutualization Law with respect to this Plan.

Section 12.12. Captions and Headings. The captions and headings of this Plan have been inserted for convenience of reference only and will not affect the meaning or interpretation of this Plan.

Section 12.13. Governing Law. The terms of this Plan will be governed by and construed in accordance with the laws of the State of Indiana.

Section 12.14. Judicial Review. Pursuant to Ind. Code 27-15-15-2, all petitions for judicial review of, and any action challenging the validity of or arising out of the approval or disapproval of or any action proposed to be taken under any order or determination of the Commissioner in connection with this Plan must be filed not later than thirty (30) days after the order or determination is issued by the Commissioner.

Section 12.15. Stock Incentive Plan. On or before the Effective Date, Anthem, Inc. intends to adopt a stock incentive plan (the "Stock Plan"). The Stock Plan will allow for the grant of stock options, restricted stock, stock appreciation rights, performance stock and performance awards. Subject to the restrictions of Section 12.5, directors, executives and employees, as selected by the Compensation Committee of the Board of Directors of Anthem, Inc., will be eligible to participate in and receive grants or awards under the Stock Plan. The Compensation Committee will administer the Stock Plan and will have complete discretion to determine whether to grant incentive awards, the types of incentive awards to grant and any requirements and restrictions relating to incentive awards. The Stock Plan will reserve for issuance under its terms not more than five percent (5%) of the Common Stock outstanding after giving effect to both the Conversion and the Public Offering, plus it will reserve an additional up to two percent (2%) of the Common Stock so outstanding solely for issuance under grants of stock options that may be made to substantially all employees of Anthem Insurance and its subsidiaries (and for issuance under similar grants that may be made to new employees of Anthem Insurance or its subsidiaries). The exercise price per share of any options to purchase Common Stock granted under the Stock Plan will be not less than 100% of the fair market value of Common Stock on the date of the grant of such option. No options granted under the Stock Plan will be exercisable more than ten years after the date of grant.

**ARTICLE XIII**  
**Definitions**

Section 13.1. General Terms. For all purposes of this Plan, except as otherwise expressly provided or unless the context otherwise requires:

- (1) The terms defined in this Article XIII will, when used in this Plan, have the meanings assigned to them in this Article XIII and include the plural as well as the singular.
- (2) The words "herein," "hereof," "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular article, section, subsection or other subdivision.

Section 13.2. Specific Terms. For all purposes of this Plan, except as otherwise expressly provided, the following terms will have the meanings set forth below:

"Actuarial Contribution" shall mean, with respect to a particular Eligible Statutory Member, the contributions to Anthem Insurance's statutory surplus, as calculated according to the principles, assumptions and methodologies set forth in this Plan and the Actuarial Contribution Memorandum, by all Policies (a) of which the Eligible Statutory Member has been the Holder through the Effective Date, and (b) under which the Eligible Statutory Member has had continuous health care benefits coverage with the same company (or the predecessor company from which its business was assumed in a merger described in Preliminary Statement C of this Plan) without a break of more than one day.

"Actuarial Contribution Date" shall mean June 30, 2000.

"Actuarial Contribution Memorandum" shall have the meaning specified in Section 7.3(a).

"Administrative Trust" shall mean certain trusts established for the administrative convenience of the insurer, all of which were established by Community Mutual Insurance Company or Community Insurance Company.

"Adoption Date" shall have the meaning specified in the first paragraph of this Plan.

"Aggregate Fixed Component" shall have the meaning specified in Section 7.2.

"Aggregate Variable Component" shall have the meaning specified in Section 7.2.

"Allocable Shares" shall have the meaning specified in Section 5.1.

"Anthem Insurance" shall have the meaning specified in the first paragraph of this Plan.

"Anthem, Inc." shall have the meaning specified in Section 1.2.

"Annual Statement" shall mean the financial statement required to be filed with the Commissioner under Ind. Code 27-1-20-21.

"Application" shall have the meaning set forth in Section 10.1.

"Articles Amendment" shall have the meaning set forth in Section 1.3.

"Board" shall have the meaning specified in the first paragraph of this Plan.

"Code" shall have the meaning specified in Section 1.1.

"Commissioner" shall mean the Commissioner of Insurance of the State of Indiana, or a governmental officer, body, or authority as may after the date hereof succeed the Commissioner as the primary regulator of Anthem Insurance's financial condition under applicable law.

"Common Stock" shall mean the voting common stock of Anthem, Inc.

"Conversion" shall have the meaning specified in Preliminary Statement A in this Plan.

"DOL Exemption" shall have the meaning set forth in Section 1.5(a).

"Effective Date" shall mean the date on which the Conversion contemplated by this Plan becomes effective in accordance with the Indiana Demutualization Law and Section 1.3.

"Eligible Statutory Member" shall mean a Person who (a) is a Statutory Member of Anthem Insurance on the Adoption Date and continues to be a Statutory Member of Anthem Insurance on the Effective Date, and (b) has had continuous health care benefits coverage with the same company during the period between those two dates under any Policy or Policies without a break of more than one day.

"Equity Share" shall have the meaning specified in Section 7.3(b)(ii).

"ERISA" shall have the meaning specified in Section 1.5(a).

"Financial Advisor" shall mean Goldman, Sachs & Co. or any other investment banking firm that shall be acceptable to the Commissioner.

"Guaranty Policy" shall mean the individual or group guaranty insurance policies issued by Anthem Insurance at the time of or following and pursuant to the terms of Anthem Insurance's 1993 merger with Southeastern Mutual Insurance Company, Anthem Insurance's 1995 merger with the Community Mutual Insurance Company, and Anthem Insurance's 1997 merger with Blue Cross & Blue Shield of Connecticut, Inc.

"Holder" shall mean with respect to any Policy, the Person or Persons specified or determined pursuant to Section 12.1

"In Force" shall have the meaning specified in Section 12.2

"Indiana Demutualization Law" shall have the meaning specified in Preliminary Statement A of this Plan.

"IPO Price" shall have the meaning specified in Section 6.3.

"Membership Interests" shall mean (i) the voting rights of Statutory Members of Anthem Insurance as provided by law and by Anthem Insurance's Articles of Incorporation and Bylaws; and (ii) the rights of Statutory Members of Anthem Insurance to receive cash, stock, or other consideration in the event of a conversion to a stock insurance company under the Indiana Demutualization Law or a dissolution under Ind. Code 27-1-10, as provided by those laws and by Anthem Insurance's Articles of Incorporation and Bylaws.

"Ohio Merger" shall mean the merger in 1995 of Community Mutual Insurance Company with and into Anthem Insurance.

"Other Capital Raising Transactions" shall have the meaning specified in Section 1.6(c).

"Person" shall mean an individual, corporation, limited liability company, joint venture, partnership, association, trust, trustee, unincorporated entity, organization or government or any department or agency thereof. A Person who is a Holder of Policies in more than one legal capacity (e.g. a trustee under separate trusts) will be deemed to be a separate Person in each such capacity.

"Plan" shall have the meaning specified in the first paragraph of this Plan.

"Policy" shall mean: (a) any individual insurance policy or health care benefits contract that has been issued by Anthem Insurance and under which the Holder thereof is a member of Anthem Insurance with Membership Interests; (b) any certificate issued by Anthem Insurance under a group insurance policy or health care benefits contract under which certificate the Holder thereof is a member of Anthem Insurance with Membership Interests; or (c) certificates of membership issued by Anthem Insurance in or under Guaranty Policies under which certificate the Holder thereof is a member of Anthem Insurance with Membership Interests. "Policy" shall also be deemed to mean and include certain certificates of coverage or participation issued under a group insurance policy or health care benefits contract issued to an Administrative Trust, in accordance with Section 12.1(c).

"Public Hearing" shall have the meaning specified in Section 10.2.

"Special Meeting" shall have the meaning specified in Section 11.1.

"Statutory Member" shall mean as of any specified date any Person who, in accordance with the records, articles of incorporation and by-laws of Anthem Insurance, is the Holder of an In Force Policy.

"Stock Plan" shall have the meaning specified in Section 12.15.

"Tax Opinion" shall mean an opinion of a nationally recognized tax counsel or a firm of certified public accountants selected by Anthem Insurance.

"United States" shall mean the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and Territories of the United States within the meaning of Section 2(6) of the Securities Act.

**EXHIBIT A**

[Amended and Restated Articles of Incorporation of Anthem Insurance]

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**EXHIBIT B**

[Amended and Restated By-Laws of Anthem Insurance]

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**EXHIBIT C**

[Articles of Incorporation of Anthem, Inc.]

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**EXHIBIT D**

[By-Laws of Anthem, Inc.]

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**EXHIBIT E**

[Large Holder Sale Program Procedures and Restrictions]

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**EXHIBIT F**

[Actuarial Contribution Memorandum]