

## **WellPoint Inc. Stock – Tax Related Questions**

*We strongly advise you to consult your tax advisor if you have any questions about tax implications of the demutualization and the exchange. The information below is provided for your ease of reference in response to frequently asked questions, and should not be construed as tax advice. You should contact your tax advisor.*

### **WellPoint Health Networks Inc. tax questions**

**Is the exchange of my WellPoint Health Networks Inc. shares for WellPoint, Inc. shares a taxable event?**

For most shareholders, when you exchange your WellPoint Health Networks Inc. shares for WellPoint, Inc. shares and cash, you will have taxable income equal to the lesser of cash received or gain on WellPoint Health Networks, Inc. shares. The amount of the gain on WellPoint Health Networks, Inc. shares is the excess, if any, of (i) the sum of the cash and fair market value of WellPoint, Inc. stock received, over (ii) your cost of the WellPoint Health Networks Inc. stock (your tax basis). This taxable income would usually be treated as capital gain. Whether the gain is long term or short term is determined using the date that the WellPoint Health Networks Inc. shares were acquired as the acquisition date.

There are exceptions to these general tax rules so we strongly advise you to consult your tax advisor if you have any questions about tax implications of the exchange. For a discussion of the tax implications of the exchange, please read the Joint Proxy Statement/Prospectus section entitled "Material United States Federal Income Tax Consequences of the Merger." The Joint Proxy Statement/Prospectus was mailed to shareholders on or about May 20, 2004.

**What is the date of conversion?**

11/30/2004

**What is the fair market value of WellPoint Health Networks Inc. stock on the date of conversion?**

The closing price of WellPoint Health Networks on 11/30/2004 was \$125.10

**What is the fair market value of WellPoint Inc., formerly known as Anthem, Inc. stock on the date of conversion?**

The closing price of WellPoint, Inc., formerly known as Anthem, Inc. on 11/30/2004 was \$101.33

### **WellPoint Inc., formerly known as Anthem, Inc. Demutualization tax questions**

**What kind of taxable event is there when I received the distribution in 2002?**

If you received **cash** as your distribution, the cost basis is zero, the entire amount is taxable. Your holding period or acquisition date, is the start date of your policy and your sell date is November 2, 2001. It is considered a long-term capital gain if you were a policyholder for more than one year on 11/2/2001, and a short-term capital gain if you were a policyholder for less than one year on 11/2/2001.

If you received **stock** as your distribution, you will not be subject to income tax on the receipt of stock in the demutualization. If you later sell, or otherwise dispose of the stock, you will be subject to income tax on the full amount you receive from the sale, as the cost basis is zero. Any proceeds will be treated as a short-term capital gain, if you have been a Statutory Member for less than one year. If you have been a Statutory Member for more than one year, the proceeds will be treated as a long-term capital gain.

**Do I have to pay taxes on the stock I received in demutualization?**

Taxes will be due upon sale of the stock.

**When will I get my 1099-B?**

It was included with the check. If you need a duplicate copy, please call our service center, Equiserve, toll-free at 1-866-299-9628.

**What is the cost basis?**

Zero.

**Trigon Exchange tax questions****Is the exchange of my Trigon shares for WellPoint Inc., formerly known as Anthem, Inc., a taxable event?**

In most cases, when you exchange your Trigon shares for WellPoint Inc., formerly known as Anthem, Inc., shares and cash, you will recognize gain (but not loss) equal to the lesser of:

-the excess, if any, of (i) the sum of the cash and fair market value of WellPoint Inc., formerly known as Anthem, Inc., stock received (\$67.88/share), over (ii) your cost of the Trigon stock (your tax basis), or

-the cash that you received.

**Will this be taxed as long-term or short-term capital gain?**

Any gain will be treated as long-term capital gain if your Trigon stock was held for more than 12 months prior to the merger. Otherwise it will be treated as short-term capital gain.

**What is my cost basis for WellPoint Inc, formerly known as Anthem, Inc. stock now that the Trigon stock that I received upon Trigon's demutualization is now WellPoint Inc., formerly known as Anthem, Inc., stock?**

If you received your Trigon stock as a result of Trigon's demutualization, then your WellPoint Inc., formerly known as Anthem, Inc., stock cost basis is zero since the cost basis for the Trigon stock at demutualization was zero.

If you purchased your shares of Trigon stock, then your cost basis for the WellPoint Inc., formerly known as Anthem, Inc., stock would be the same as the cost basis for the Trigon stock.

**What is the date of conversion?**

7/31/2002

**What is the fair market value of WellPoint Inc., formerly known as Anthem, Inc., stock on the date of conversion?**

The closing price of WellPoint Inc, formerly known as Anthem, Inc., on 7/31/2002 was \$67.88

**What is the fair market value of Trigon stock on the date of conversion?**

The closing price of Trigon on 7/31/2002 was \$101.71

*We strongly advise you to consult your tax advisor if you have any questions about tax implications of the demutualization and the exchange. The information above is provided for your ease of reference in response to frequently asked questions, and should not be construed as tax advice. You should contact your tax advisor.*