

Anthem, Inc.  
Form DEF 14A  
April 01, 2015  
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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

**Anthem, 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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Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(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:

(5) Total fee paid:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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# 2015 PROXY STATEMENT

Annual Meeting of Shareholders

Indianapolis, IN

May 13, 2015

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**About Anthem, Inc.**

Anthem is working to transform health care with trusted and caring solutions. Our health plans deliver quality products and services that give members access to the care they need. With more than 68 million people served by our affiliated companies, including more than 37 million enrolled in our family of health plans, we are one of the nation's leading health benefits companies. We're an independent licensee of the Blue Cross and Blue Shield Association. We serve members as the Blue Cross licensee for California; and as the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. We also serve customers in other states through our Amerigroup and CareMore subsidiaries. To find out more about us, go to [antheminc.com](http://antheminc.com).

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April 1, 2015

To Our Shareholders:

The Board of Directors joins us in extending to you a cordial invitation to attend the 2015 Annual Meeting of Shareholders of Anthem, Inc. (the Company ). The meeting will be held at the Indiana History Center, 450 West Ohio Street, Indianapolis, Indiana, at 8:00 a.m., Eastern Daylight Time, on Wednesday, May 13, 2015. At the meeting, we will be voting on the matters described in this proxy statement.

2014 was a significant year for the Company with the successful name change to Anthem, Inc. We believe that the name change is an important component of our strategic plan to create better alignment between our corporate and product brands and better reflect our purpose and strategy to help transform health care.

2014 was also significant due to our strong operating results. We believe we have made, and continue to make, the needed investments to support improvements in healthcare affordability and accessibility for all our customers, across both our Commercial and Government segments. The substantial groundwork we have laid positions us well to capitalize on market opportunities in the future, and to serve a growing number of members and their families.

We are providing access to our proxy materials over the Internet at [www.envisionreports.com/antm](http://www.envisionreports.com/antm). On or about April 1, 2015, we will mail a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice ) to the majority of our shareholders of record, and on or about the same date, we will mail to our other shareholders who have requested it a printed copy of this proxy statement and a proxy card. On the mailing date of the E-Proxy Notice, all shareholders of record and beneficial owners will have the ability to access all of the proxy materials at the website listed above.

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, provided that if your shares are registered in the name of a bank or your broker or other nominee, you must obtain a legal proxy from your bank, broker or other nominee and bring it with you to the Annual Meeting.

Any shareholder planning to attend the Annual Meeting must comply with the requirements for admission set forth in the accompanying proxy statement under Annual Meeting Admission beginning on page 3. An admission ticket, which is required for admission to the meeting, will be mailed to you upon your request. Our Shareholder Services Department must receive your written request for an admission ticket on or before May 4, 2015 to ensure sufficient time for delivery to you.

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

Sincerely,

**Joseph R. Swedish**

President and Chief Executive Officer

**George A. Schaefer, Jr.**

Chair of the Board

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## **Notice of Annual Meeting of Shareholders of Anthem, Inc.**

The Annual Meeting of Shareholders of Anthem, Inc. will be held on Wednesday, May 13, 2015 at 8:00 a.m., Eastern Daylight Time at the Indiana History Center, 450 West Ohio Street, Indianapolis, Indiana 46204:

- (1) To elect the three members of the Board of Directors identified in the accompanying proxy statement for three-year terms.
- (2) To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015.
- (3) To hold an advisory vote to approve the compensation of our named executive officers.
- (4) If properly presented at the meeting, to vote on two shareholder proposals set forth in the accompanying proxy statement.
- (5) To transact such other business as may properly come before the annual meeting and any adjournment or postponement. You can vote if you are a shareholder of record on March 19, 2015.

Our 2014 Annual Report on Form 10-K, which is our Annual Report to Shareholders, is being made available with the accompanying proxy statement.

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. 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

**Kathleen S. Kiefer**

Corporate Secretary

Scan this QR code to  
vote with your  
smartphone or go to

[www.envisionreports.com/antm](http://www.envisionreports.com/antm)

**You can vote in one of four ways:**

Visit the website listed on your notice of meeting or proxy card to vote **VIA THE INTERNET**

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Call the telephone number on your proxy card to vote **BY TELEPHONE**

If you received a printed copy of the proxy materials, sign, date and return your proxy card in the enclosed envelope to vote **BY MAIL**

Attend the meeting to vote **IN PERSON**



**Table of Contents****2015 Proxy Statement Summary**

*The following is a summary of certain key disclosures in this proxy statement. This is only a summary, and it may not contain all of the information that is important to you. For more complete information, please review this proxy statement as well as our 2014 Annual Report on Form 10-K.*

**Annual Meeting of Shareholders**

Wednesday, May 13, 2015 at 8:00 a.m., EDT  
Indiana History Center

Record Date: March 19, 2015

450 West Ohio Street, Indianapolis, Indiana 46202

**Proposals to be Voted on and Board Voting Recommendations**

<b>Proposals</b>	<b>Recommendations</b>
Election of the following persons as directors:	FOR EACH NOMINEE
; Julie A. Hill	FOR
; Ramiro G. Peru	FOR
; John H. Short	FOR
Ratification of Ernst & Young LLP as Auditors for 2015	FOR
Advisory vote to approve the compensation of our Named Executive Officers	FOR
Shareholder proposal to elect each director annually	NO RECOMMENDATION
Shareholder proposal to request the Board of Directors to amend the By-Laws to allow proxy access	AGAINST

**Business Highlights**

We changed our name to Anthem, Inc. from WellPoint, Inc., effective December 2, 2014.

Our 2014 net income increased to \$8.99 per share from \$8.20 per share in 2013. Adjusted net income per share grew by 3.9% to \$8.85 in 2014 from \$8.52 per share in 2013 (refer to the GAAP Reconciliation table on page A-1).

Operating cash flow was approximately \$3.4 billion or 1.3 times net income.

Total operating revenue in 2014 increased 4% to approximately \$73.0 billion from \$70.2 billion in 2013.

Medical enrollment totaled approximately 37.5 million members at December 31, 2014, an increase of over 1.8 million from December 31, 2013.

Beginning in the first quarter of 2014, the Board of Directors increased the quarterly cash dividend on our common stock to \$0.4375 per share from \$0.375 per share in 2013. For the full year 2014, cash dividend payments totaled \$480.7 million. In January 2015, the Board increased the dividend by nearly 43% to \$0.625 per share for the first quarter of 2015.

We repurchased 30.4 million shares of our common stock in 2014 at a total cost of nearly \$3 billion, and our closing stock price increased by 36% from \$92.39 on December 31, 2013 to \$125.67 on December 31, 2014.

**Compensation Highlights**

Our strong financial performance is reflected in the compensation that our Named Executive Officers (NEOs) earned in 2014.

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To align NEO interests and rewards with the long-term interests of our shareholders and drive the achievement of our purpose and vision, our Total Rewards program emphasizes performance-based compensation in the form of our Annual Incentive Plan and equity grant programs under our Incentive Compensation Plan.

Beginning in 2015, our performance-based restricted stock units will be earned based on cumulative financial results over a three-year period.

### **Primary Components of 2014 Target Compensation**

**Table of Contents****2015 Proxy Statement Summary** (continued)**Corporate Governance**

Our corporate governance policies reflect our commitment to effective corporate governance and high ethical standards:

Majority voting for uncontested director elections.

Nine of our ten current directors are independent and only independent directors serve on the Audit, Compensation and Governance Committees.

We have an independent Chair of the Board.

Executive sessions of the independent directors are held at each in-person board meeting.

Short sales, hedging transactions and pledging of Company stock are prohibited for all directors, officers and associates.

Significant stock ownership requirements are in place for directors and executive officers.

Our Clawback Policy applies to executive officers' incentive compensation in the event of a restatement of our financial statements due to misconduct.

The Board and each standing committee annually conduct evaluations of their performance and director peer evaluations are performed periodically.

Individuals cannot stand for election as a director if 72 years of age or older, and directors cannot serve on more than three other public company boards.

Our annual report on Political Contributions and Related Activities is available on our website at [www.antheminc.com](http://www.antheminc.com) under About Anthem, Inc./Government Relations/Political Contributions.

**Director Qualifications and Experience**

The following chart provides summary information about each of our directors' skills and experiences. More detailed information is provided under the description of The Governance Committee beginning on page 10 and in each director's biography beginning on page 21.

Directors	CEO/COO	Marketing/				Technology	Regulatory/ Government	ESG	Diversity
		Insurance Industry	Finance	Health Care Industry	Public Relations				
R. Kerry Clark	Ö			Ö	Ö				
Robert L. Dixon, Jr.					Ö	Ö			Ö
Lewis Hay, III	Ö		Ö		Ö	Ö	Ö	Ö	
Julie A. Hill	Ö		Ö	Ö	Ö			Ö	Ö
Ramiro G. Peru			Ö			Ö			Ö
William J. Ryan	Ö	Ö	Ö		Ö				
George A. Schaefer, Jr.	Ö		Ö	Ö	Ö	Ö			
John H. Short	Ö			Ö		Ö	Ö		
Joseph R. Swedish	Ö	Ö	Ö	Ö		Ö	Ö	Ö	
Elizabeth E. Tallett	Ö	Ö	Ö	Ö	Ö		Ö	Ö	Ö

**Shareholder Engagement**

We believe that building positive relationships with our shareholders is critical to Anthem's long-term success. For this reason, we spend significant time meeting with our shareholders, listening to their concerns and responding to their feedback. In 2014, management reached out to our largest shareholders, representing in aggregate approximately 50% of our outstanding shares, offering to discuss our corporate governance practices and our executive compensation programs, as well as any other topics requested by these shareholders. In addition, our management team regularly offers shareholders the opportunity to discuss the Company's quarterly results and other topics of interest to shareholders. We value our relationship with our shareholders and believe that we strengthen our ability to lead the Company by constructively discussing our business and strategy.

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We were pleased that our shareholders overwhelmingly approved the non-binding advisory vote on our executive compensation in 2014 as approximately 94% of votes cast for or against the proposal were voted in favor of the proposal. Nevertheless, we continue to examine our executive compensation program to assure alignment between the interests of our executive officers and our shareholders.

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## Proxy Statement

ANTHEM, INC.

120 Monument Circle

Indianapolis, Indiana 46204

Annual Meeting of Shareholders

May 13, 2015

### **Purpose**

This proxy statement is being made available to shareholders on or about April 1, 2015 in connection with a solicitation by the Board of Directors of Anthem, Inc. (Anthem, 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 8:00 a.m., Eastern Daylight Time, Wednesday, May 13, 2015, at the Indiana History Center, at 450 West Ohio Street, 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 7:30 a.m., Eastern Daylight Time.

### **Internet Availability of Proxy Materials**

We are using the e-proxy rules adopted by the Securities and Exchange Commission (the SEC) to furnish proxy materials to shareholders through a notice only model using the Internet. This allows us to reduce costs by delivering to shareholders a Notice of Internet Availability of Proxy Materials (the E-Proxy Notice) and providing 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 our 2014 Annual Report on Form 10-K as well as how to submit your proxy through the Internet. On or about April 1, 2015, we mailed the E-Proxy Notice to the majority of our shareholders of record and a printed copy of these proxy materials to our other shareholders who had requested it.

This proxy statement, the form of proxy and voting instructions are being made available to shareholders on or about April 1, 2015, at [www.envisionreports.com/antm](http://www.envisionreports.com/antm). 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 United States, Canada or Puerto Rico or at 781-575-2300 from outside the United States, Canada or Puerto Rico; (b) Internet at [www.envisionreports.com/antm](http://www.envisionreports.com/antm); or (c) e-mail at [investorvote@computershare.com](mailto:investorvote@computershare.com).

### **Record Date, Quorum and Vote Required**

**Record Date** At the close of business on March 19, 2015, the record date for the annual meeting, there were 265,985,143 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, 25% of the votes entitled to be cast on a matter, represented in person or by proxy, must be present.

**Vote Required** You will have one vote for each share held. 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, but will have no effect in the outcome of any proposal.

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Each proposal at the annual meeting will be approved only if the proposal receives more votes for than against. If your shares of our common stock are held in street name, and you do not provide your broker with voting instructions, your broker has the discretion to vote your shares of common stock for or against only Proposal 2, the ratification of the appointment of our independent registered public accounting firm, and not any of the other proposals. If your broker does not have discretion to vote your common stock without your instructions, this is referred to as a broker non-vote. Broker non-votes will not be considered as votes cast on Proposals 1, 3, 4 and 5.

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**Proxy Statement** (continued)

**Shareholders**

Shares of our common stock may be held directly in your own name or may be held beneficially through a broker, 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 Anthem 401(k) Retirement Savings Plan (the 401(k) 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 11, 2015 at 11:59 p.m., Eastern Daylight Time. You may also revoke previously given voting instructions by May 11, 2015 at 11:59 p.m., Eastern Daylight Time, by filing with the trustee either written notice of revocation or a properly completed and signed voting instruction 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 bank, 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/antm](http://www.envisionreports.com/antm) 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, on May 12, 2015. **If you vote through the Internet, you do not need to return a proxy card.**

**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. If you want to vote by telephone, you must do so before 11:59 p.m., Eastern Daylight Time, on May 12, 2015. **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.



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**Proxy Statement** (continued)

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,  
FOR the ratification of the appointment of the independent registered public accounting firm for 2015,  
FOR the approval of the compensation of our Named Executive Officers,  
As the Board has adopted a policy to eliminate our classified board structure when we are no longer contractually obligated to maintain a classified board, the Board has made no recommendation on Shareholder Proposal No. 4, and therefore, your shares will not be voted on Shareholder Proposal No. 4 and will be treated as an abstention, and  
AGAINST Shareholder Proposal No. 5.**

***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 and you are a shareholder of record, you will be given the opportunity to revoke your proxy and vote in person. **If you are a beneficial owner, you must have a legal proxy from your bank, broker or nominee in order to vote in person.**

***Inspector of Elections*** Computershare Trust Company, N.A. has been appointed Inspector of Election for the annual meeting. The Inspector will determine the number of shares outstanding, the shares represented at the annual meeting, the existence of a quorum, and the validity of proxies and ballots, and will count all votes and ballots.

***Confidentiality of Votes*** The vote of each shareholder is held in confidence, except (a) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company; (b) if there is a contested proxy solicitation; (c) if a shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or (d) as necessary to allow the Inspector of Election to resolve any dispute about the authenticity or accuracy of a proxy card, consent, ballot, authorization or vote and to allow the Inspector of Election to certify the results of the vote.

**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, Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204 or telephone (800) 985-0999.

**Additional Information**

Our Board of Directors (the Board) has not received notice of any, 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.

Shareholders may receive, without charge, a copy of our 2014 Annual Report on Form 10-K, including consolidated financial statements, as filed with the SEC (which is our Annual Report to Shareholders). Please address requests for a copy of our 2014 Annual Report on Form 10-K to our Secretary, Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Our 2014 Annual Report on Form 10-K is also available on our website under Investors Financial Information SEC Filings at [www.antheminc.com](http://www.antheminc.com).

**Annual Meeting Admission**

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You must have an admission ticket, as well as a form of government-issued photo identification, 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

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**Proxy Statement** (continued)

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 request an admission ticket in advance by mailing a request, along with proof of your ownership of our common stock as of the record date of March 19, 2015, to Anthem Shareholder Services, 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Proof of ownership would be a bank or brokerage account statement in your name showing the number of shares of Anthem stock held by you on the record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the record date.

If you wish to appoint a representative to attend the meeting in your place, you must provide to Anthem Shareholder Services, 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204, the name of your representative, in addition to your E-Proxy Notice or the admission ticket portion of your proxy card if you are a shareholder of record, or your proof of ownership if you are a beneficial owner, and the address where the admission ticket should be sent. A shareholder may only appoint one representative. Requests from shareholders which are legal entities must be signed by an authorized officer or other person legally authorized to act on behalf of the legal entity.

**Requests received after May 4, 2015 may not be able to be processed in time to allow you to receive your admission ticket before the meeting date so you should mail your request early.**

No cameras, recording equipment, electronic devices, large bags, briefcases, signs or packages will be permitted in the annual meeting. Mobile phones will be permitted in the meeting venue but may not be used for any purpose at any time while in the meeting venue. Violation of this rule can result in removal from the meeting venue. Please note that due to security reasons, all bags may be subject to search, and all persons who attend the annual meeting may be required to pass through a metal detector or be subject to a hand wand search. We will be unable to admit anyone who does not comply with these security procedures. No one will be admitted to the meeting once the meeting has commenced.

**Cost of Solicitation**

We will bear the cost of the solicitation of proxies and have engaged Alliance Advisors, LLC to assist in the solicitation of proxies. Alliance Advisors, LLC will receive a fee of approximately \$8,500 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.

**Shareholder Proposals and Nominations for Next Year's Annual Meeting**

**Shareholder Proposal for Inclusion in Our Proxy Materials** In order to submit a shareholder proposal for inclusion in our proxy statement for the 2016 annual meeting of shareholders pursuant to SEC Rule 14a-8, the proposal must be received by our Secretary at Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204, not later than December 3, 2015. 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.

**Other Shareholder Proposals and Nominations** Our By-Laws also establish an advance notice procedure relating to director nominations and shareholder proposals that are not submitted for inclusion in the proxy statement, but that the shareholder instead wishes to present directly at the annual meeting. To be properly brought before the 2016 annual meeting of shareholders, the shareholder must give timely written notice of the nomination or proposal to our Secretary along with the information required by our By-Laws. To be timely, a shareholder's notice must be delivered to our Secretary at the address listed above not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. For the 2016 annual meeting of shareholders, such notice must be delivered no earlier than January 14, 2016 and no later than February 13, 2016. 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 120<sup>th</sup> day prior to such annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the 10<sup>th</sup> 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.



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**Proxy Statement** (continued)

**Copy of By-Law Provisions** The specific requirements of these advance notice and eligibility provisions are set forth in Section 1.5 and Section 1.6 of our By-Laws. Our By-Laws are available on our website at [www.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents.

**Incorporation by Reference**

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended (the Securities Act ) or the Securities Exchange Act of 1934, as amended (the Exchange Act ) that may incorporate future filings (including this proxy statement, in whole or in part), the sections of this proxy statement entitled Audit Committee Report and Compensation Committee Report do not constitute soliciting material and should not be deemed filed with the SEC or incorporated by reference in any such filings.

The information on our website, [www.antheminc.com](http://www.antheminc.com), is not, and should not be deemed to be, a part of this proxy statement.

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## Governance of the Company

Our business is managed under the direction of the Board. The Board has responsibility for establishing broad corporate policies and for our overall performance. 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.

### **Board Leadership Structure**

The Board believes that it should have the flexibility to establish a leadership structure that works best for the Company at a particular time and reviews that structure from time to time. Historically, the positions of our Chair of the Board and Chief Executive Officer ( CEO ) have, at different times, been separately held by two people or combined and held by the same person. Currently, the roles of Chair and CEO are separate and the positions will remain separate until changed by a decision of the Board of Directors. Any decision to change the structure in the future will be based on what the Board believes is the most effective and efficient structure for the Company, taking into account the experience and expertise of the CEO, the skills, experience and expertise of the directors and the Company's circumstances and needs at that time.

The current independent Chair of the Board is George A. Schaefer, Jr., and he has served in that role since May 2013. Our President and CEO is Joseph R. Swedish, who was also appointed by the Board to be a director, effective March 2013, and was elected by our shareholders at the 2013 annual meeting for a term to expire at the 2016 annual meeting. The Board believes that the current leadership structure allows Mr. Swedish to concentrate on overseeing the management of our business, while Mr. Schaefer oversees the functioning of the Board and our corporate governance.

If the position of Chair and CEO are filled by the same person or if the Chair is not an independent director, the independent directors will elect a Lead Director, as required by our Corporate Governance Guidelines. The Lead Director presides at meetings of the Board and shareholders in the Chair's absence, presides at all meetings of the independent directors (which are scheduled at each in-person Board meeting), serves as a liaison between the Chair and the independent directors, approves information sent to the Board, approves Board schedules and meeting agendas, has the authority to call additional meetings of the Board and the independent directors and is available for consultation and direct communication, if requested, with major shareholders. The Board also recognizes the important leadership roles played by the chairpersons of each of the committees of the Board. The Board evaluates its leadership structure from time to time and changes it as circumstances warrant.

### **Board Role in Risk Oversight**

Our Board of Directors oversees the risk management processes that have been designed, and are implemented by our executives, to determine whether those processes are functioning as intended and are consistent with our business and strategy. The Board oversees our exposure to major enterprise risks and, with the assistance of the Audit Committee, oversees the processes by which we assess, monitor and manage our exposure to major risks. The Board reviews and approves certain risk tolerance levels and action plans regarding major risks. In addition to the responsibilities delegated to the Audit Committee, the Board delegates to the Board committees the responsibility for assisting in the oversight of categories of risk within their areas of responsibility. See also Executive Compensation Assessment of Compensation-Related Risks in this proxy statement for a description of the Compensation Committee's role in overseeing compensation-related risks. A description of the enterprise risks facing us is included in Item I, Part IA Risk Factors in our 2014 Annual Report on Form 10-K.

In addition to its oversight of certain risks as delegated by the Board of Directors, the Audit Committee is specifically tasked with the following as it relates to enterprise risk management activities:

- Review the appointment, promotion or dismissal of the Chief Risk Officer, who serves as the head of the internal enterprise risk management function;
- Review and discuss our enterprise risk management framework, processes and governance structure;



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Review and discuss our major financial risk exposures, and any other categories of risk delegated by the Board to the Audit Committee from time to time, and the steps management has taken to assess, monitor and manage such exposures; and  
Discuss the responsibilities, budget and staffing of our enterprise risk management function.

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**Governance of the Company** (continued)

We have formed an Enterprise Risk Council to oversee our enterprise risk management activities. The Enterprise Risk Council is comprised of members of our executive leadership team and the Chief Risk Officer. Roles and responsibilities of the Enterprise Risk Council include:

- Drive an effective enterprise risk management culture;
- Continually evaluate and bring forward emerging risk insight;
- Review and approve risk tolerance levels (subject to Board review and approval where appropriate);
- Act on risk tolerance breaches;
- Engage with the Chief Audit Executive to ensure appropriate two-way communication regarding our enterprise risks;
- Review the Master Audit Plan to ensure there is appropriate coverage of the highest risk areas;
- Review and approve the evaluation and prioritization of enterprise risks;
- Review enterprise action plans against risks;
- Review and approve the policies and procedures for monitoring and mitigating enterprise risks, as well as any required regulatory filings; and
- Review and support resource requirements (subject to Board review where appropriate).

The Chief Risk Officer provides quarterly updates of enterprise risk management activities conducted through the Enterprise Risk Council to the Board of Directors and/or the Audit Committee, including separate executive sessions with the Audit Committee.

**Policies on Corporate Governance**

Over the past several years, we have enhanced our corporate governance practices in a number of meaningful ways, and we continually seek best practices to promote a high level of performance from the Board and management. We believe our corporate governance practices promote the long-term interests of our shareholders and strengthen Board and management accountability.

Among the practices we adhere to are the following:

- We review annually our corporate governance documents, including our Articles of Incorporation, By-Laws, Corporate Governance Guidelines and committee charters, for compliance with their terms and for enhancements to improve corporate governance;
- We have adopted majority voting for the election of directors in uncontested elections, and directors who fail to receive the required majority vote in uncontested elections must tender their resignation for consideration by the Board;
- We have eliminated all supermajority voting requirements in our Articles of Incorporation and have opted out of the Indiana Control Share Acquisitions Statute;
- Nine of our ten current directors are independent under all applicable standards;
- Only independent directors serve on the Audit, Compensation and Governance Committees;
- Non-employee directors meet in executive session without management present at every in-person Board meeting;
- We currently have an independent Chair of the Board; when the positions of the Chair of the Board and CEO are held by the same person, or if the Chair of the Board is not an independent director, a Lead Director presides at the executive sessions of independent directors and performs various other duties; the Lead Director position, if any, is elected annually by the independent directors;
- 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 and each standing committee annually conduct evaluations of their performance and director peer evaluations are conducted periodically;
- Individuals cannot stand for election as a director if 72 years of age or older, and directors cannot serve on more than three other public company boards;
- We provide several avenues for shareholders to communicate with the Board and management, including periodic investor days and earnings release conference calls and webcasts, dedicated email addresses for the Board



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**Governance of the Company** (continued)

and for Committee chairs, and specific outreach to shareholders initiated by us or in response to engagement requests from shareholders; one of the duties of our independent Chair is to be available upon request for consultation and direct communication with major shareholders; The Board encourages directors to participate in continuing education programs and reimburses directors for the expenses of such participation;

Our average director tenure was approximately 6 years at December 31, 2014 and our Board's composition is diverse in gender, race, age, geographic location, experience and skills;

We have a recoupment policy to recover incentive compensation payments from our executive officers in the event of a restatement of our financial statements due to misconduct;

We do not provide tax gross-ups on payments made in connection with a change in control or on perquisites, subject only to honoring contractual requirements when assuming agreements upon a merger or other business combination;

We prohibit short sales, hedging transactions and pledges of Company stock by our executive officers, associates and the Board;

The Board and our executive officers and associates are governed by our Standards of Ethical Business Conduct; and

We have significant stock ownership guidelines that align our executives' interests with those of shareholders.

Due to existing contractual obligations with the Blue Cross and Blue Shield Association ( BCBSA ), we are required to maintain a classified board structure. However, the Board has adopted a policy that, if the BCBSA requirement for a classified board structure is eliminated or is no longer applicable to us, the Board will submit amendments to our Articles of Incorporation recommending approval by the shareholders at the next annual shareholder meeting occurring after the elimination of the requirement, which amendments would eliminate the classified board structure and phase in the annual election of all Directors over a three-year period. If the shareholders approve the amendments to our Articles of Incorporation to eliminate the classified board structure as set forth above, the Board will thereafter amend our By-Laws and other governing documents to implement the elimination of our classified board structure as provided in the Board policy. As a result of this policy, the Board is making no recommendation on Shareholder Proposal No. 4 regarding the election of each Director annually.

Current versions of our Articles of Incorporation, By-Laws, Corporate Governance Guidelines, Standards of Ethical Business Conduct, and the charter of each standing committee of the Board are available on our website at [www.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents.

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

**Table of Contents****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.

**Director Independence**

Our Board has adopted standards to assist it in making determinations of independence and whether or not a director or director nominee has a material relationship with us. These standards are available on our website at [www.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents. Our Board has determined that all of our directors and director nominees, other than Mr. Swedish, meet these standards, have no material relationship with us and are independent as defined by the New York Stock Exchange ( NYSE ) listing standards and the SEC s rules.

**Meetings and Committees of the Board**

During 2014, the Board held nine meetings. The non-employee directors were given the opportunity to meet in executive session without management at all in-person meetings. Our Board committees also conduct executive sessions that are presided over by the Chairperson of the respective committee. Each director attended at least 75% of the total meetings of the Board and each committee on which he or she served.

There are four 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 standing committees as of March 1, 2015.

Directors	Executive Committee	Audit Committee	Compensation Committee	Governance Committee
R. Kerry Clark		Ö		
Robert L. Dixon, Jr.			Ö	Ö
Lewis Hay, III	Ö		Ö**	
Julie A. Hill		Ö		Ö
Ramiro G. Peru	Ö	Ö**		
William J. Ryan	Ö		Ö	Ö**
George A. Schaefer, Jr.*	Ö**		Ö	Ö
John H. Short		Ö	Ö	
Joseph R. Swedish	Ö			
Elizabeth E. Tallett		Ö		Ö

Ö Committee Member \* Chair of the Board \*\* Committee Chair

Set forth below are the primary responsibilities of each of the standing committees as described more fully in their charters, which are available on our website at [www.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents.

**The Audit Committee**

The Audit Committee represents and 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 also evaluates and selects the lead engagement partner of the independent registered public accounting firm by discussing proposed partners with the independent public accounting firm and management, reviewing resumes of proposed partners, interviewing and then approving a partner.

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The Audit Committee is also responsible for the oversight of our Compliance Program and Standards of Ethical Business Conduct, as well as assisting the Board in overseeing the processes by which we assess, monitor and

**Table of Contents****Board and Committee Membership** (continued)

manage our exposure to major risks. The Chief Compliance Officer facilitates our compliance program and reports independently to the Audit Committee. The Audit Committee regularly receives a detailed report from the Chief Compliance Officer regarding our compliance program activities. See [Audit Committee Matters](#), [Audit Committee Report](#) and [Governance of the Company](#) [Board Role in Risk Oversight](#). The Audit Committee also is responsible for reviewing, at least annually, our political strategy, contributions and activities and overseeing compliance with our policies and procedures regarding political contributions and activities.

The Audit Committee met eight times during 2014. The Audit Committee met separately, generally at each in-person meeting, with executive management (including the General Counsel), the head of internal audit, the Chief Risk Officer, the Chief Compliance Officer and the independent registered public accounting firm during 2014. The Board has determined that each of the 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 determined by the Compensation Committee in its sole discretion), including conducting an assessment of the risks related to our compensation policies and practices. See [Executive Compensation](#) [Assessment of Compensation-Related Risks](#). The Compensation Committee sets 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 an outside compensation consultant to assist in the evaluation of CEO and executive officer compensation, as authorized under its charter. The Compensation Committee has engaged Semler Brossy Consulting Group, LLC ( Semler Brossy ) to provide executive compensation consulting services. Semler Brossy reports directly to the Compensation Committee, 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. Semler Brossy does not provide any other services to the Company. The Compensation Committee has assessed the independence of Semler Brossy pursuant to, and based on the factors set forth in, the SEC's and NYSE's rules and concluded that no conflict of interest exists that would prevent Semler Brossy from independently representing the Compensation Committee.

The Compensation Committee met five times during 2014. 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 is or has been an officer or employee of the Company or was involved in a relationship requiring disclosure as an interlocking director or under Item 404 of Regulation S-K.

***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 Compensation Advisory Partners, LLC ( CAP ), an outside compensation consultant, to assist in the evaluation of director compensation, as authorized under its charter. CAP reports directly to the Governance Committee. During 2014, CAP advised the Committee with respect to director compensation trends and best practices, plan design and the reasonableness of director compensation. The CAP consultants do not provide any other





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**Table of Contents**

**Board and Committee Membership** (continued)

services to the Company. The Governance Committee has assessed the independence of CAP pursuant to, and based on the factors set forth in, the SEC's and NYSE's rules and concluded that no conflict of interest exists that would prevent CAP from independently representing the Governance Committee.

The Governance Committee met four times during 2014. The Board has determined that each of the members of the Governance Committee is independent as defined by the NYSE listing standards.

*Shareholder Recommendations*

The policy of the Governance Committee is to consider properly submitted shareholder recommendations for candidates for membership on the Board as described below under Identifying and Evaluating Nominees for Directors. In evaluating such recommendations, 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 recommendations 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 Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204. Following verification of the shareholder status of persons proposing candidates, recommendations are aggregated and considered by the Governance Committee at a regularly scheduled meeting. If any materials are provided by shareholders in connection with the recommendation of a director candidate, such materials are forwarded to the Governance Committee.

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.

*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.

*Director Qualifications*

The Governance Committee periodically evaluates the size and composition of the Board to assess the skills and qualifications of Board members, and compares them with those skills and qualifications that might prove valuable in the future, considering the circumstances of the Company and the then-current Board membership. This assessment enables the Board to consider whether the skills and qualifications described below continue to be appropriate as the Company's needs evolve over time. On an ongoing basis, the Governance Committee, assisted by outside consultants, will look for candidates who possess qualifications that meet our strategic needs and have diverse experiences in key business, financial and other challenges that face a publicly held health benefits company.

In general, all directors must exhibit integrity and accountability, informed judgment, financial literacy, mature confidence and high performance standards. The candidates should be committed to enhancing shareholder value, should have sufficient time and energy to diligently perform their duties and should be able to provide insight and practical wisdom based on experience to represent the interests of all shareholders. The candidates should also have the manifest ability to work in a collegial and constructive manner with the other members of the Board. 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, including candidates submitted by shareholders.

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Our Corporate Governance Guidelines provide that our Governance Committee is to take into account the overall diversity of the Board when identifying possible nominees for director, including gender, race, age and geographic location. The Committee implements that policy, and assesses its effectiveness, by examining the diversity of all of

**Table of Contents****Board and Committee Membership** (continued)

the directors on the Board when it selects nominees for directors. Currently, the Board has two female directors, one African-American director and one Hispanic director. The directors range in age from late 50s to early 70s and reside in 9 different states. The diversity of directors is one of the factors that the Governance Committee considers, along with the other selection criteria described above.

Below we identify and describe a few of the important skills and experiences that the Governance Committee looks for in a director candidate. Each of our directors' specific skills and experiences, as determined in the annual evaluation of each director, are included in the table below and more fully described in their individual biographies. However, the fact that we do not list a particular skill or experience for a director does not mean that the director does not possess that particular skill or experience.

**Current or Retired CEO/COO experience.** Directors who are current or former Chief Executive Officers or Chief Operating Officers provide practical understanding of how large organizations operate and have experience in strategic thinking, risk management and operations oversight. They also possess significant leadership qualities and are able to identify and develop such qualities in others.

**Insurance Industry experience.** Directors with experience in the insurance industry bring an understanding of the unique nature of the business, including an understanding and appreciation of the regulatory requirements and restrictions with which they must comply. They can provide effective oversight of our regulatory compliance and risk management efforts.

**Finance experience.** Directors with an understanding of finance and financial reporting processes, particularly as they relate to large, complex, highly regulated businesses, provide an important oversight role of our financial measures and processes. We use several financial targets for measuring performance, and accurate financial reporting is critical to our success.

**Health Care Industry experience.** Directors with experience in the health care industry bring valuable insight into the activities and requirements of the providers of health care services and products that receive payments directly or indirectly from our insurance products. These directors bring knowledge of current system operations and experience with medical best practices that are valuable not only for current operations, but also for future strategic initiatives.

**Marketing and Public Relations experience.** Directors with experience in these areas provide important skills and information to us as we deal with increased public disclosure requirements and media attention on health care and other public policy issues. They can assist us in focusing our communications to effectively present our positions. Also, directors with experience dealing with consumers, particularly in the areas of developing, marketing and selling products and services to consumers, provide significant direction and information to us as we identify changing market conditions and consumer trends and buying habits, because they understand consumer needs.

**Technology experience.** Directors with an understanding of technology can help us focus our efforts in this important area. They are able to provide oversight of our efforts to improve efficiency and productivity through the use of new technologies in providing our products and services.

**Regulatory and Government experience.** Directors with regulatory or government experience, whether as members of government or through extensive interactions with state or federal governmental agencies, are able to recognize, identify and understand the key issues facing us as a highly regulated entity.

**Environmental, Social and Governance (ESG) experience.** Directors who have worked with non-profit entities or have led projects designed to benefit society bring to us an understanding of the need to conduct business without harm to society, which could in turn, harm our reputation and decrease our long-term sustainability. They are able to provide insights to assist us in achieving our purpose of transforming health care with trusted and caring solutions. Directors with governance experience can help us focus our efforts on maintaining strong corporate governance practices.

**Diversity.** Directors who are diverse in gender or race bring different perspectives, backgrounds and life experiences that can foster innovative ideas to meet the needs of our customers, providers, shareholders and the communities we serve.

**Table of Contents****Board and Committee Membership** (continued)

<b>Directors</b>	<b>CEO/COO</b>	<b>Insurance Industry</b>	<b>Finance</b>	<b>Health Care Industry</b>	<b>Marketing/ Public Relations</b>	<b>Technology</b>	<b>Regulatory/ Government</b>	<b>ESG</b>	<b>Diversity</b>
R. Kerry Clark	Ö			Ö	Ö				
Robert L. Dixon, Jr.					Ö	Ö			Ö
Lewis Hay, III	Ö		Ö		Ö	Ö	Ö	Ö	
Julie A. Hill	Ö		Ö	Ö	Ö			Ö	Ö
Ramiro G. Peru			Ö			Ö			Ö
William J. Ryan	Ö	Ö	Ö		Ö				
George A. Schaefer, Jr.	Ö		Ö	Ö	Ö	Ö			
John H. Short	Ö			Ö		Ö	Ö		
Joseph R. Swedish	Ö	Ö	Ö	Ö		Ö	Ö	Ö	
Elizabeth E. Tallett	Ö	Ö	Ö	Ö	Ö		Ö	Ö	Ö

The Governance Committee, in recommending the nominees for election as directors and in concluding that the continuing directors should serve as directors, considered the items set forth above. The Governance Committee believes that each of the directors and nominees for director possesses the judgment and integrity necessary to make independent decisions and a willingness to devote adequate time to Board duties. In addition, the Governance Committee believes that each of the directors and nominees for director brings his or her own particular experiences and set of skills, giving the Board, as a whole, competence and experience in a wide variety of areas. Additional biographical and other information concerning the qualifications, skills and experience of the directors and nominees for director can be found under **Nominees for Director** and **Directors Continuing in Office**.

***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 President and CEO and executive officers. The Executive Committee met two times during 2014.

**Communications with the Board**

Individuals may communicate with the Board by submitting an e-mail to our Board at this address: [boardofdirectors@anthem.com](mailto:boardofdirectors@anthem.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 Chair of the Board. Individuals may also communicate with the Board by submitting a letter to our Secretary at Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204.

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

Chairperson of the Audit Committee: [auditchair@anthem.com](mailto:auditchair@anthem.com)

Chairperson of the Compensation Committee: [compensationchair@anthem.com](mailto:compensationchair@anthem.com)

Chairperson of the Governance Committee: [governancechair@anthem.com](mailto:governancechair@anthem.com)

The process for collecting and organizing communications, as well as similar or related activities, has been approved by 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, 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 are expected to attend each annual meeting of shareholders. All members of the Board then in office attended the 2014 annual meeting of shareholders.

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## 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 shareholders owning five percent or greater of our outstanding common stock or their immediate family members). The policy covers any transaction in which we are a participant that involves amounts exceeding \$120,000 in any calendar year and in which a related person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than ten percent beneficial owner of another entity).

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 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 periodically reviews and assesses on-going transactions to confirm that the transactions comply with the Governance Committee's guidelines and remain appropriate.

### **Current Transactions**

Other than standing pre-approved transactions discussed above, there were no transactions in 2014, and none are currently proposed, in which we were or are a participant, the amount exceeded \$120,000, a related person had or will have a direct or indirect material interest and disclosure was required under Item 404(a) of Regulation S-K. In the ordinary course of business, we may, from time to time, engage in transactions with other companies whose officers or directors are also our directors. Transactions with such companies are conducted on an arm's length basis, and in 2014, all of these transactions came within the pre-approval procedures of 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, executive officers 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.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents.

Everyone is required to act in accordance with the requirements of the Code. Waivers of the Code for any director, our President and 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.antheminc.com](http://www.antheminc.com) under Investors Corporate Governance Governance & Corporate Documents and otherwise disclosed as required by law. During 2014, there were no waivers of the Code for any of our directors, our President and Chief Executive Officer, our Chief Financial Officer or any of our other executive officers.

**Table of Contents****Compensation of Non-Employee Directors****2014 Compensation to Non-Employee Directors<sup>(1)</sup>**

Name	Fees Earned or Paid in Cash (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
R. Kerry Clark	\$ 69,517 <sup>(5)</sup>	\$ 174,990	\$ 10,000	\$ 254,507
Robert L. Dixon, Jr.	\$ 111,330	\$ 174,990	\$ 0	\$ 286,320
Lewis Hay, III	\$ 122,649	\$ 174,990	\$ 3,050	\$ 300,689
Julie A. Hill	\$ 116,330	\$ 174,990	\$ 10,000	\$ 301,320
Warren Y. Jobe <sup>(6)</sup>	\$ 49,699	\$ 0	\$ 74,218	\$ 123,917
Ramiro G. Peru	\$ 141,330	\$ 174,990	\$ 21,958	\$ 338,278
William J. Ryan	\$ 136,330	\$ 174,990	\$ 21,958	\$ 333,278
George A. Schaefer, Jr.	\$ 361,330	\$ 174,990	\$ 31,958	\$ 568,278
John H. Short	\$ 116,330	\$ 174,990	\$ 11,928	\$ 303,248
Elizabeth E. Tallett	\$ 116,330 <sup>(7)</sup>	\$ 174,990	\$ 1,000	\$ 292,320

- (1) Employee directors do not receive any compensation for their service as a director. Mr. Swedish's compensation for 2014 is shown in the Summary Compensation Table.
- (2) In addition to annual Board and committee retainer fees, amounts include \$10.48 paid in cash to each non-employee director then serving or elected at the 2014 annual meeting of shareholders, which represents cash payments in lieu of issuing fractional shares in connection with the annual grant of phantom shares of our common stock received on the date of our annual meeting of shareholders.
- (3) The amounts in this column reflect the grant date fair value of stock awards issued to each non-employee director during the year ended December 31, 2014, in accordance with Accounting Standards Codification Topic 718, Compensation - Stock Compensation (ASC 718). During 2014, each non-employee director then serving or elected at the annual meeting of shareholders received 1,656 deferred 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 14, 2014). The deferred shares will be converted into common stock upon the lapse of the deferral period. See also Board Equity Compensation and Stock Ownership Guidelines. The grant date fair value for the 2014 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. As of December 31, 2014, each non-employee director had the following number of deferred shares under our Board of Directors' Deferred Compensation Plan (Board Deferred Compensation Plan) for all years of service as a director: R. Kerry Clark: 1,656; Robert L. Dixon, Jr.: 6,585; Lewis Hay, III: 3,523; Julie A. Hill: 34,603; Ramiro G. Peru: 14,419; William J. Ryan: 14,419; George A. Schaefer, Jr.: 14,419; John H. Short: 2,981; and Elizabeth E. Tallett: 2,908. No directors currently have any stock options outstanding. The deferred shares for each current director are included in the Security Ownership of Certain Beneficial Owners and Management table.
- (4) Includes the cost of an annual physical exam paid for by us for Mr. Short, and the matching charitable contributions made by the Anthem Foundation on behalf of Messrs. Clark, Hay, Jobe, Schaefer and Short and Ms. Hill and Tallett. See Matching Gift Program. Also includes dividend equivalents paid on directors' deferred shares that vested in 2014 as follows: \$64,218 for Mr. Jobe, and \$21,958 each to Messrs. Peru, Ryan and Schaefer. This column does not include perquisites received by a director to the extent the amount of all such perquisites received by such director was less than \$10,000.
- (5) All of Mr. Clark's 2014 compensation was deferred by him pursuant to the Board Deferred Compensation Plan, other than the \$10.48 paid in cash in lieu of a fractional share.
- (6) Mr. Jobe retired from the Board on May 14, 2014. He did not receive a stock award for 2014 and all deferred stock was paid out in accordance with his payout election.
- (7) Ms. Tallett deferred 50% of her 2014 cash compensation pursuant to the Board Deferred Compensation Plan, other than the \$10.48 paid in cash in lieu of a fractional share.

The compensation of our non-employee directors is paid in the form of annual board and committee retainers, chairperson and member fees and stock-based awards. During 2014, each non-employee director received:

- an annual cash retainer fee of \$95,000, paid in advance in four equal quarterly installments;
- an annual stock retainer grant of the number of shares equal in value to \$175,000 as described under Board Equity Compensation and Stock Ownership Guidelines ;



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an additional annual cash retainer fee of \$225,000 for the Chair of the Board if the position is held by a non-employee director paid in four equal quarterly installments;

an additional annual cash retainer fee of \$25,000 for the chairperson of the Audit Committee and \$15,000 for the chairperson of the other committees, paid in four equal quarterly installments;

an additional annual cash retainer fee of \$15,000 for all members of the Audit Committee and an additional cash retainer fee of \$10,000 for all members of the other committees, payable in four equal quarterly installments; and

eligibility for an annual physical examination paid for by us.

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**Compensation of Non-Employee Directors** (continued)

**Anthem 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. Deferred cash fees 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 points, but not to exceed 120% of the applicable federal long-term rate, with compounding. Fees paid to non-employee directors in our common stock may also be deferred under the Board Deferred Compensation Plan, with the cash dividends accruing during the deferral period and paid in cash at the end of the deferral period. Fees paid in stock and deferred under the Board Deferred Compensation Plan are distributed in stock pursuant to their election under the plan.

**Board Equity Compensation and Stock Ownership Guidelines**

For 2014, each non-employee director then serving or elected at the annual meeting of shareholders received, 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 \$175,000 with the amount of any fractional share paid in cash. In 2014, each such non-employee director received 1,656 deferred shares based on the market price of \$105.67 per share pursuant to this grant. Each annual grant of common stock is deferred for a minimum of five years from the date of grant (or in the case of grants made after the annual meeting of shareholders, five years from the date of the annual meeting of shareholders that immediately precedes the date of grant). The shares of common stock, along with the cash dividends accrued thereon, will not be distributed 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 non-employee director has an obligation to own at least \$500,000 of our common stock by no later than the fifth anniversary of the date such director became a member of the Board. Other than Messrs. Hay and Short and Ms. Tallett, who joined the Board in 2013, and Mr. Clark who was elected to the Board in 2014, each non-employee director owns stock in excess of the stock ownership requirements.

**Matching Gift Program**

Directors are eligible to participate in the Anthem 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.

**Table of Contents****Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth the number of shares of our common stock beneficially owned as of January 31, 2015 by:

each of our directors in office as of such date,  
each of our CEO, CFO and the three other most highly compensated executive officers during 2014 and any former executive officers required to be disclosed by SEC rules (collectively, the NEOs ),  
all directors and executive officers as a group in office as of such date, 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, 2015 ( currently exercisable options ) and shares of common stock underlying restricted stock units that will vest within 60 days of January 31, 2015 ( vested restricted stock units ), unless otherwise noted.

Name	Position	Number of Shares Owned	Number of Shares Supplementally Owned <sup>(1)</sup>	Total Number of Shares Beneficially Owned	Percent of Class (if more than 1%)
R. Kerry Clark	Director	0	1,656	1,656	*
Robert L. Dixon, Jr.	Director	0	6,585	6,585	*
Lewis Hay, III	Director	0	3,523	3,523	*
Julie A. Hill	Director	0	34,603	34,603	*
Ramiro G. Peru	Director	6,267	14,419	20,686	*
William J. Ryan	Director	18,154	14,419	32,573	*
George A. Schaefer, Jr.	Chair of the Board	20,292	14,419	34,711	*
John H. Short	Director	0	2,981	2,981	*
Elizabeth E. Tallett	Director	0	2,908	2,908	*
Joseph R. Swedish	President, Chief Executive Officer and Director	130,437 <sup>(2)</sup>	117,910	248,347	*
Wayne S. DeVeydt	Executive Vice President and Chief Financial Officer	100,226 <sup>(3)</sup>	98,796	199,022	*
Kenneth R. Goulet	Executive Vice President, President of Commercial and Specialty Business	361,180 <sup>(4)</sup>	50,315	411,495	*
Peter D. Haytaian	Executive Vice President, President of Government Business	17,641 <sup>(5)</sup>	26,673	44,314	*
Gloria M. McCarthy	Executive Vice President and Chief Administrative Officer	70,083 <sup>(6)</sup>	30,993	101,076	*
Richard C. Zoretic	Former Executive Vice President, Government Business	27,942 <sup>(7)</sup>	36,088	64,030	*
BlackRock, Inc.					

40 East 52<sup>nd</sup> Street

New York, NY 10022<sup>(8)</sup>

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N/A

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