STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Anthem Insurance Companies, Inc.)
120 Monument Circle)
Indianapolis, IN 46204)

Examination of: **Anthem Insurance Companies, Inc.**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Anthem Insurance Companies, Inc., any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on December 27, 2016, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Anthem Insurance Companies, Inc. shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

2/3/2017
Date

Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7005 3110 0002 4443 9438

STATE OF INDIANA	)	BEFORE THE INDIANA
	) SS:	
COUNTY OF MARION	)	COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Anthem Insurance Companies, Inc.)
120 Monument Circle)
Indianapolis, IN 46204)

Examination of: **Anthem Insurance Companies, Inc.**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Anthem Insurance Companies, Inc. (hereinafter "Company") for the time period January 1, 2009 through December 31, 2013.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on December 16, 2016.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on December 27, 2016 and was received by the Company on January 3, 2017.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS:**

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Anthem Insurance Companies, Inc. as of December 31, 2013.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Anthem Insurance Companies, Inc. to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.

2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.

3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Stephen W. Robertson

Signed and Sealed this 3rd day of February, 2017.

Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

ANTHEM INSURANCE COMPANIES, INC.

NAIC CO. CODE 28207
NAIC GROUP CODE 0671

As of

December 31, 2013

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IDOI

STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance
Stephen W. Robertson, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

December 16, 2016

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3769, an examination has been made of the affairs and financial condition of:

Anthem Insurance Companies, Inc.
120 Monument Circle
Indianapolis, Indiana 46204

hereinafter referred to as the "Company", or "AICI", an Indiana domestic stock, property and casualty insurance company. The examination was conducted at WellPoint, Inc., corporate offices in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2013, is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of the period ending December 31, 2008. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2009 through December 31, 2013, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

The examination of the Company, a wholly-owned subsidiary of WellPoint, Inc., (WLP) was called by the INDOI in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. This coordinated risk-focused examination also included Company affiliates CareMore Health Plan of Arizona, Inc., an Arizona domestic insurance company; Anthem Blue Cross Life and Health Insurance Company, a California domestic insurance company; Anthem Life Insurance Company, UNICARE Life & Health Insurance Company, and OneNation Insurance Company, Indiana domestic insurance companies; Anthem Health Plans of Maine, Inc., a Maine domestic insurance company; AMERIGROUP Maryland, Inc., a Maryland domestic insurance company; HealthLink HMO, Inc., Healthy Alliance Life Insurance Company, and HMO Missouri, Inc., Missouri domestic insurance companies; Anthem Health Plans of New Hampshire, Inc., and Matthew Thornton Health Plan, Inc., New Hampshire domestic insurance companies; AMERIGROUP New Jersey, Inc., a New Jersey domestic insurance company; AMERIGROUP Community Care of New Mexico, Inc., a New Mexico domestic insurance company; Empire HealthChoice HMO, Inc., Empire HealthChoice Assurance, Inc., and Anthem Life & Disability Insurance Company, New York domestic insurance companies; AMERIGROUP Ohio, Inc., and Community Insurance Company, Ohio domestic insurance companies; UNICARE Health Plans of Texas, Inc., AMERIGROUP Texas, Inc., and AMERIGROUP Insurance Company, Texas domestic insurance companies; Anthem Health Plans of Virginia, Inc., and HealthKeepers, Inc., Virginia domestic insurance companies; AMERIGROUP Washington, Inc., a Washington domestic insurance company; UNICARE Health Plan of West Virginia, Inc., a West Virginia domestic insurance company; and Blue Cross Blue Shield of Wisconsin and Compcare Health Services Insurance Corporation, Wisconsin domestic insurance companies. The INDOI served as the lead state on the examination, with Departments of Insurance from the states of Arizona, California, Maine, Maryland, Missouri, New Hampshire, New Jersey, New Mexico, New York, Ohio, Texas, Virginia, Washington, West Virginia, and Wisconsin serving as participants.

Merlinos & Associates, Inc., provided all actuarial services throughout the examination and conducted a review of the Company's loss reserves and loss adjustment expense reserves as of December 31, 2013.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

The Company was incorporated on May 22, 1944, under the name Mutual Hospital Insurance, Inc. (MHII). On June 20, 1985, Mutual Medical Insurance, Inc., merged into MHII with MHII being the survivor and taking the name Associated Insurance Companies, Inc. On March 28, 1996, Associated Insurance Companies, Inc., changed its name to its present title.

On November 2, 2001, the Company converted from a mutual insurance company to a stock insurance company in accordance with Indiana Code (IC) 27-15-1-1 et seq., the Indiana Demutualization Law, under a plan of conversion approved by its Board of Directors (Board) on June 18, 2001, by the Commissioner of the INDOI on October 25, 2001, and by the Company's statutory members on October 29, 2001. As part of the conversion, the Company became a wholly-owned subsidiary of Anthem, Inc., (Anthem) a new Indiana stock corporation created for the purpose of being the public holding company for the Anthem family of companies.

On October 27, 2003, Anthem and WellPoint Health Networks, Inc., (WHN) announced that they had entered into a definitive agreement and plan of merger. On November 30, 2004, Anthem and WHN completed their merger. As a result of the merger, the Company became a subsidiary of WellPoint, Inc. (WLP). WLP is the largest publicly traded commercial health benefits company in terms of membership in the United States.

As of December 31, 2008, the Company is wholly-owned by WLP and has two (2) wholly-owned subsidiaries: National Government Services, Inc., and Associated Group Inc. Associated Group, Inc., has one (1) wholly-owned subsidiary: Anthem Financial, Inc.

CAPITAL AND SURPLUS

As of December 31, 2013, the Company had 100,000,000 shares of Class A common stock authorized with a par value of $1 per share, of which all shares were issued and outstanding.

As of December 31, 2013, the Company has an issued surplus note outstanding. This note has a total par value of $25.1 million and interest rate of 9.00%. Any payment of interest and repayment of principal may be paid only out of the Company's earnings, subject to approval by the INDOI. During the examination period, $11,292,750 has been paid in interest. On April 1, 2010, the Company paid $42 million in principal and $3 million in interest on a surplus note that matured on that date.

DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends, (in 000s), to WLP during the examination period:

Year	Total	Ordinary Dividends	Extraordinary Dividends
2013	$ 327,500	$ 327,500	$ -
2012	279,400	279,400	-
2011	275,000	-	275,000
2010	267,100	267,100	-
2009	150,000	150,000	-
Total	$ 1,299,000	$ 1,024,000	$ 275,000

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The Company paid one (1) extraordinary dividend during the examination period with the prior approval of the INDOI. Other dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to transact insurance business in thirty-five (35) states. Since the prior examination date, the Company is no longer licensed in Florida. The Company is licensed as a property and casualty insurance company in the state of Indiana. The Company is a licensee of the Blue Cross and Blue Shield Association (BCBSA) and markets its products under the Blue Cross and Blue Shield (BCBS) trade names. The Company offers a diversified mix of products, including the Affordable Care Act (ACA) on and off exchange, consumer driven health plans, Health Maintenance Organizations, Point of Service plans, preferred provider organizations (PPOs), and traditional indemnity benefits. The Company writes comprehensive medical, dental, vision, Medicare Supplement, Medicare Advantage, Federal Employee Health Benefit Plan, stop loss, Medicare Part D, and Medicaid products, primarily in Indiana. The Company provides a small block of long-term care business, administrative services for certain other health plans and government agencies. The Company also provides a broad array of managed care services to self-funded employers, including actuarial services, claim processing, medical cost management, provider network access, stop loss insurance, underwriting, and other administrative services.

The Company participates in the Indiana state-sponsored business consisting of Hoosier Healthwise and Healthy Indiana Plan. Additionally, the Company participates in the Federal Employee Program (FEP), the BlueCard program, and the Medicare Part D program. The Company was one (1) of the three (3) companies awarded a 4-year contract from the Office of Medicaid and Policy Planning for Indiana Medicaid business, which is effective January 2, 2011 through December, 2014. FEP is a nationwide contract with the Federal Office of Personnel Management to provide health benefit coverage to federal employees and their dependents in Indiana. Prior to 2013, the Company also provided FEP health benefit coverage in Kentucky and Ohio. BlueCard is a BCBSA nationwide program that enables members who need health care services while traveling or living in another BCBS Plan's service area to access their benefits through the local BCBS Plan's providers. It also allows the cost of the service to be calculated in accordance with the local BCBS Plan's contract with the providers.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, (in 000s), of the Company during the examination period:

Year	Admitted Assets	Liabilities	Capital and Surplus	Total Revenues	Net Income
2013	$ 2,781,475	$ 1,776,697	$ 1,004,779	$ 5,008,514	$ 374,416
2012	2,638,304	1,740,211	898,093	5,128,407	327,546
2011	2,701,255	1,930,783	770,471	5,878,472	279,401
2010	2,804,424	2,067,801	736,623	5,573,100	344,389
2009	2,158,292	1,447,413	710,878	4,902,301	267,185

Admitted assets, liabilities, and capital and surplus balance fluctuations during the examination period occurred as a result of timing of affiliate receivables, the expansion of the securities lending program, additional Federal

Home Loan Bank of Indianapolis borrowings, and the effect of net income offset by dividends paid.

Total revenues remained relatively flat over the examination period. The effect of declines in Medicare Part D, Medicaid, vision, and FEP membership were offset by 2010 rate increases.

Net income generally increased during the examination period with the exception of a drop in 2011, which was primarily a result of unfavorable experience in the Medicare and Medicaid business lines.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the number of directors shall fall within the range prescribed by the Amended and Restated Articles of Incorporation. The majority of the directors shall at all times be Public Members. A Public Member is one who is neither an employee of nor has an ownership interest in a health care provider and is not engaged in the active practice of a profession which provides health care services. The directors are elected an on annual basis with one-third, respectively, terminating after each annual meeting. The Articles of Incorporation provide that the business affairs of the Company are to be managed by a Board consisting of no less than five (5) and no more than nineteen (19) directors. The shareholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors at December 31, 2013 and their principal occupations as of that date:

Board Member	Principal Occupation
Carter Allen Beck Manchester, New Hampshire	Senior Vice President and Counsel WellPoint, Inc.
Wayne Scott DeVeydt Indianapolis, Indiana	Executive Vice President and Chief Financial Officer WellPoint, Inc.
Robert Wade Hillman Fishers, Indiana	President & Chief Executive Officer Anthem Insurance Companies, Inc.
Catherine Irene Kelaghan Carmel, Indiana	Vice President and Counsel WellPoint, Inc.
Kathleen Susan Kiefer Indianapolis, Indiana	Vice President and Corporate Secretary WellPoint, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of the Chairman of the Board, the Chief Executive Officer, President, Secretary, and Treasurer, each of whom shall be elected by the Board. Any two (2) or more offices may be held by the same person, except that the person holding the office of Secretary shall not hold the office of Chairman, Chief Executive Officer, or President. The Chief Executive Officer shall have the authority to appoint administrative officers such as Vice Presidents, Assistant Secretaries, and Assistant Treasurers, to perform such functions and duties as prescribed and approved by the Chief Executive Officer. Each of these officers is elected by the Board and shall hold office for one (1) year or until their respective successors

are duly chosen and have qualified.
The following is a list of key officers and their respective titles as of December 31, 2013:

Name	Office
Robert Wade Hillman	President and Chief Executive Officer
Robert David Kretschmer	Treasurer
Kathleen Susan Kiefer	Secretary
Raymond Lee Umstead, Jr.	Assistant Secretary
Susan Reed Schwab	Assistant Secretary
Cheryl Gladieux Allari	Actuary
Eric Kenneth Noble	Assistant Treasurer

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2013, except for one (1) item which is detailed further in the Other Significant Issues section of this Report of Examination.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that not all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of the date of their last election. See the Other Significant Issues section of this Report of Examination.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments to the Bylaws during the examination period.

Minutes

The Board, and sole shareholder meeting minutes were reviewed for the period under examination through March 16, 2015 and significant actions taken during each meeting were noted. It was noted that the annual meetings and other regular Board meetings were held in accordance with the Company's Bylaws. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year and at such time within that period as the Bylaws may provide. The Bylaws do not specify the date or time the annual meeting of shareholders is to be held. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each year.

The WLP Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit, Compensation, Corporate Governance, and Planning.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and related subsidiaries as of December 31, 2013:

	NAIC Co. Code	Domiciliary State/Country
WellPoint, Inc.		IN
Anthem Insurance Companies, Inc.	**28207**	**IN**
Associated Group, Inc.		IN
Anthem Financial, Inc.		DE
National Government Services, Inc.		IN
ATH Holding Company, LLC		IN
Rocky Mountain Hospital and Medical Service, Inc.	11011	CO
Anthem Life Insurance Company	61069	IN
OneNation Insurance Company	85286	IN
Anthem Holding Corp.		IN
UNICARE National Services, Inc.		DE
UniCare Life & Health Insurance Company	80314	IN

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Consolidated Cash Management System
The Company has an agreement with its subsidiary, National Government Services (NGS) providing for NGS's funds to be managed by the Company. At December 31, 2013, the Company included $13,920,160 in its amounts due from affiliates related to this agreement.

Master Administrative Services Agreement
Effective January 1, 2005, the Company entered into an Amended and Restated Master Administrative Services Agreement with WHN and other affiliates. Under the agreement, each company provides certain administrative, consulting, and other support services for the benefit/use of the other affiliated companies. The costs and expenses related to these administrative management and support services are allocated by the company in an amount equal to the direct and indirect costs and expenses incurred in providing these services.

WellPoint Cash Concentration Agreement
Effective November 20, 2007, the Company entered into the WellPoint Cash Concentration Agreement. Under this agreement, any of the Company's affiliates may be designated as a cash manager to handle the collection and/or payment of funds on behalf of the Company. Conversely, the Company may be designated as a cash manager to handle the collection and/or payment of funds on behalf of its affiliates. Cash services covered under this agreement include the collection of premiums and other revenue, the collection of benefit and administrative expense reimbursements, the payment of policy benefits, payroll expense, general and administrative expense, and accounts payable disbursements. As of December 31, 2013, the Company had an estimated net receivable of $12,750,927 pursuant to this agreement.

Consolidated Federal Income Tax Agreement
Effective December 31, 2005, the Company entered into a Consolidated Federal Income Tax Agreement with WLP whereby the allocation of federal income taxes is based upon separate return calculations with credit for net losses that can be used on a consolidated basis, and is recorded as part of the federal income tax receivable or payable. Federal income tax balances are settled based on the Internal Revenue Service due dates. At December 31, 2013, the Company had current federal income taxes recoverable from WLP, of $1,157,901 pursuant to this agreement.

Lease Agreement
Effective January 1, 2001, the Company entered into a Lease Agreement with Community Insurance Company (CIC). Under this agreement, the Company leases furniture and equipment from CIC used in Indiana. In 2013, the Company paid CIC $110,606 pursuant to this agreement.

Reinsurance Agreements
Effective January 1, 2010, the Company entered into a Specific Excess Liability Agreement with UniCare Life and Health Insurance Company (ULHIC). Under this agreement, ULHIC assumes 85% coinsurance on all covered payments. Pursuant to this agreement, the Company paid $1.8 million in ceded reinsurance premiums in 2013.

Effective January 1, 2011, the Company entered into a 100% Quota Share Reinsurance Agreement and Guaranty with Rocky Mountain Hospital and Medical Service, Inc. (RMHMS). Under this agreement, RMHMS assumes all claims, liabilities, and premiums associated with Medicare Advantage Local PPO products administered, for incurred dates prior to January 1, 2013. Pursuant to this agreement, the Company paid $3.6 million in ceded reinsurance premiums in 2013.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by its employees through a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh, Pennsylvania. The bond has a single loss coverage limit of $10,000,000, with a $1,500,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2013, including but not limited to automobile liability and physical damage, employee benefit plan fiduciary liability, general liability, property damage, and umbrella liability.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company participates in the WellPoint, Inc., Cash Balance Pension Plan (the Plan), a frozen non-contributory defined benefit pension plan, sponsored by ATH Holding Company, LLC (ATH Holding), covering most employees of WLP and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the Plan to the Company based on the number of allocated employees. During 2012 and 2013, these costs totaled $118,824 and $1,877,654, respectively. The Company has no legal obligation for the benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain dental, health, life, and vision benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this benefit plan to the Company based on the number of allocated employees. During 2012 and 2013, these costs totaled $1,925,945 and $2,464,420, respectively. The Company has no legal obligation for the benefits under this plan.

The Company participates in various deferred compensation plans, sponsored by WLP, which cover certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. WLP allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees participating in the plan. During 2012 and 2013, these costs totaled $302,012 and $346,472, respectively. The Company has no legal obligation for the benefits under this plan.

The Company participates in the WellPoint 401(K) Retirement Savings Plan, sponsored by ATH Holding, covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of the plan to the Company based on the number of allocated employees. During 2012 and 2013, these costs approximated $8,901,928 and $10,304,742. The Company has no legal obligation for benefits under these plans.

STATUTORY AND SPECIAL DEPOSITS

The Company reported the following statutory and special deposits, (in 000s), at December 31, 2013:

State	Book Value	Fair Value
Deposits for the Benefit of All Policyholders:		
Georgia	$ 32	$ 34
Indiana	5,061	5,239
Nevada	265	299
New Hampshire	529	564
New Mexico	258	269
North Carolina	556	559
Virginia	256	245
Total Deposits	$ 6,957	$ 7,209

REINSURANCE

Reinsurance Assumed

The Company reported no significant reinsurance assumed in their 2013 Annual Statement.

Reinsurance Ceded

The Company reported no significant reinsurance ceded in their 2013 Annual Statement.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2012 and 2013, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2009 through December 31, 2013, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

ANTHEM INSURANCE COMPANIES, INC.
Assets
As of December 31, 2013
(in 000s)

	Per Examination*
Bonds	$ 1,333,929
Stocks:	
Preferred stocks	36,566
Common stocks	53,797
Real estate:	
Properties occupied by the company	325
Cash, cash equivalents and short-term investments	(77,256)
Other invested assets	190,990
Receivables for securities	4,113
Securities lending reinvested collateral assets	89,898
Subtotals, cash and invested assets	1,632,362
Investment income due and accrued	13,459
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	121,811
Deferred premiums, agents' balances and installments booked but deferred and not yet due	63,902
Accrued retrospective premiums	2,530
Reinsurance:	
Amounts recoverable from reinsurers	143
Amounts receivable relating to uninsured plans	409,489
Current federal and foreign income tax recoverable and interest thereon	1,158
Net deferred tax asset	69,495
Guaranty funds receivable or on deposit	1
Electronic data processing equipment and software	61
Receivables from parent, subsidiaries and affiliates	110,318
Health care and other amounts receivable	34,389
Aggregate write-ins for other than invested assets	322,356
Total**	$ 2,781,475

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.
** The total includes immaterial rounding differences.

ANTHEM INSURANCE COMPANIES, INC.
Liabilities, Capital and Surplus
As of December 31, 2013
(in 000s)

		Per Examination*
Claims unpaid	$	471,928
Accrued medical incentive pool and bonus amounts		7,166
Unpaid claims adjustment expenses		15,059
Aggregate health policy reserves		433,710
Aggregate health claim reserves		4,486
Premiums received in advance		33,503
General expenses due or accrued		113,867
Amounts withheld or retained for the account of others		6,377
Remittance and items not allocated		45,355
Borrowed money and interest thereon		150,007
Amounts due to parent, subsidiaries and affiliates		164,369
Payable for securities		499
Payable for securities lending		89,898
Funds held under reinsurance treaties		279
Liability for amounts held under uninsured plans		176,866
Aggregate write-ins for other liabilities		63,330
Total liabilities**		1,776,697
Common capital stock		100,000
Gross paid in and contributed surplus		305,045
Surplus notes		25,095
Unassigned funds (surplus)		574,638
Total capital and surplus		1,004,779
Total liabilities, capital and surplus	$	2,781,475

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.
** The total includes immaterial rounding differences.

ANTHEM INSURANCE COMPANIES, INC.
Statement of Revenue and Expenses
For the Year Ended December 31, 2013
(in 000s)

	Per Examination*
Member Months	29,114
Net premium income	$ 4,986,722
Change in unearned premium reserves and reserve for rate credits	21,792
Total revenues	5,008,514
Hospital and Medical:	
Hospital/medical benefits	2,910,941
Other professional services	372,125
Emergency room and out-of-area	49,662
Prescription drugs	716,326
Incentive pool, withhold adjustments, and bonus amounts	2,933
Subtotal	4,051,987
Less:	
Net reinsurance recoveries	(30,985)
Total hospital and medical	4,082,972
Claims adjustment expenses, including cost containment expenses	160,523
General administrative expenses	271,802
Increase in reserves for life and accident and health contracts	(13,311)
Total underwriting deductions	4,501,986
Net underwriting gain or (loss)	506,528
Net investment income earned	43,628
Net realized capital gains (losses)	21,137
Net investment gains (losses)	64,765
Net gain or (loss) from agents' or premium balances charged off	(2,648)
Aggregate write-ins for other income or expenses	1,076
Net income or (loss) after capital gains tax and before all other federal income taxes	569,721
Federal and foreign income taxes incurred	195,304
Net income (loss)	$ 374,416

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

ANTHEM INSURANCE COMPANIES, INC.
Capital and Surplus Account Reconciliation
(in 000s)

	2013	2012	2011	2010	2009
Capital and surplus prior reporting year	$ 898,093	$ 770,471	$ 736,623	$ 710,878	$ 472,175
Net income or (loss)	374,416	327,546	279,401	344,389	267,185
Change in net unrealized capital gains (losses)	27,787	26,006	7,527	(3,904)	54,964
Change in net deferred income tax	(2,790)	(5,288)	2,064	(6,913)	18,614
Change in nonadmitted assets	34,771	32,265	6,203	1,307	47,939
Cumulative effect of changes in accounting principles	-	26,493	-	-	-
Change in surplus notes	-	-	-	(42,035)	-
Dividends to stockholders	(327,500)	(279,400)	(275,000)	(267,100)	(150,000)
Aggregate write-ins for gains or (losses) in surplus	-	-	13,654	-	-
Net change in capital and surplus	106,685	127,622	33,849	25,745	238,703
Capital and surplus end of reporting period**	$ 1,004,779	$ 898,093	$ 770,471	$ 736,623	$ 710,878

** The totals include immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2013, based on the results of this examination; however, the following findings were noted:

The 2013 NAIC Health Annual Statement Instructions require that the Actuarial Memorandum include a technical component that contains detail such that "This technical component must show the analysis from the basic data, (e.g. claim lags) to the conclusions." Claim lag triangles were not included in the Actuarial Memorandum. While the technical component of the Company's Actuarial Memorandum did include a significant amount of information and exhibits, the information was not indexed or organized in a way that the analysis from data to conclusions could be followed. Therefore, the Actuarial Memorandum prepared by the Appointed Actuary did not include the required technical component detail as required by IC 27-1-3-13(a) which requires preparation in accordance with the 2013 NAIC Health Annual Statement Instructions.

> It is recommended that in future Actuarial Memoranda the technical component of the Appointed Actuary "include the analysis from the basic data, (e.g. claim lags) to the conclusions", as is required by the NAIC Health Annual Statement Instructions. Additionally, the Appointed Actuary should organize the technical appendices in a manner such that the analysis can be followed from data to conclusions. Further, the Company should establish and implement a process to prevent the omission of required components during the preparation of these documents.

It is recognized that due to the size and complexity of the Company's analysis, the volume of information necessary to demonstrate the Appointed Actuary's strict compliance with the requirements of the Annual Statement Instructions regarding content of the Actuarial Memorandum could be significant. In the case where the volume of technical documentation is so large that its inclusion in the document is not practical (e.g. lag triangles in this case) it is acceptable that the technical documentation be included in the Actuarial Memorandum by reference to a separate electronic file(s). Such reference should state that the file has been prepared, describe the information contained therein, and indicate that the file is available upon request to any party to whom the Actuarial Memorandum is made available. Both the filename and the date it was saved should be stated in the Actuarial Memorandum. Notwithstanding this compromise position, in those instances where the information would not be too voluminous, consideration should be given to including all of the required information within the Memorandum.

The 2013 NAIC Health Annual Statement Instructions require that the Actuarial Memorandum include, "an exhibit which ties to the Annual Statement and compares the actuary's conclusions to the carried amounts." The required exhibit was not included in the Actuarial Memorandum for the Company. The Company indicated that the actuarial team currently performs the checks via notes in their reconciliations, but that information in not included in the memorandum.

> It is recommended that in future Actuarial Memoranda the Appointed Actuary include an exhibit which agrees to the Annual Statement and compares the actuary's conclusions to the carried amounts, as required by IC 27-1-3-13(a) and the NAIC Health Annual Statement Instructions.

OTHER SIGNIFICANT ISSUES

IC 27-1-3-13(a) requires the preparation of the Annual Statement in accordance with NAIC Annual Statement Instructions. These instructions include the assertion that officers of the Company are subject to a code of ethics which includes a requirement for honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest. The Company was found to have such a code of ethics in place during the examination period which included a conflict of interest policy. It was determined that one (1) director and one (1) officer had not signed a 2011 Conflict of Interest statement.

It is recommended that all officers and directors review and sign Conflict of Interest statements on an annual basis in accordance with Company policy and Annual Statement instructions.

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that while each director does have an Oath of Office statement on file, not all were current as of the date of their last election.

It is recommended that every director shall take and subscribe to an Oath of Office at the time of annual election to the Board.

SUBSEQUENT EVENTS

Effective December 2014, shareholders approved the name change of WLP to Anthem, Inc. (Anthem).

In February 2015, Anthem and entities, were the target of a sophisticated external cyber-attack. The attackers gained unauthorized access to certain information technology systems and obtained personal information related to many individuals and employees, such as names, birthdays, health care identification/social security numbers, street addresses, email addresses, phone numbers and employment information, including income data. To date, there is no evidence that credit card or medical information, such as claims, test results or diagnostic codes, were targeted, accessed or obtained, although no assurance can be given that they will not identify additional information that was accessed or obtained. Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cyber-security firm to evaluate the systems and identify solutions based on the evolving landscape. Anthem is providing credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has continued to implement security enhancements since this incident. Anthem has incurred expenses subsequent to the cyber-attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Anthem will recognize these expenses in the periods in which they are incurred. Actions have been filed in various federal and state courts and other claims have been or may be asserted against Anthem on behalf of current or former members, current or former employees, other individuals, shareholders or others seeking damages or other related relief, allegedly arising out of the cyber-attack. State and federal agencies, including state insurance regulators, state attorneys general, the Health and Human Services Office of Civil Rights and the Federal Bureau of Investigation, are investigating events related to the cyber-attack, including how it occurred, its consequences and Anthem's responses. Although Anthem is cooperating in these investigations, Anthem may be subject fines or other obligations, which may have an adverse effect on how they operate their business and their results of operations. With respect to the civil actions, a motion to transfer was filed with the Judicial Panel on Multidistrict Litigation in February 2015 and was subsequently heard by the Panel in May 2015. In June 2015, the Panel entered its order transferring the consolidated matter to the U.S. District Court for the Northern District of California. The U.S. District Court entered its case management order in September 2015. Anthem filed a motion to dismiss ten of the counts that are before the U.S. District Court. In February 2016, the court issued an order granting in part and denying in part their motion, dismissing three counts with prejudice, four counts without prejudice and allowing three counts to proceed. Plaintiffs filed a second amended complaint in March 2016, and Anthem subsequently filed a second motion to discuss. In May 2016, the court issued an order granting in part and denying in part their motion, dismissing one count with prejudice, dismissing certain counts asserted by specific named plaintiffs with or without prejudice depending on their individualized facts, and allowing the remaining counts to proceed. In July 2016, plaintiffs filed a third amended complaint which Anthem answered in August 2016. Fact discovery is scheduled to be completed by December 2016. There remain two state court cases that are presently proceeding outside of the Multidistrict Litigation. Anthem has contingency plans and insurance coverage for certain expenses and potential liabilities of this nature. While a loss from these matters is reasonably possible, Anthem cannot reasonably estimate a range of possible losses because their investigation into the matter is ongoing, the proceedings remain in the early stages, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved.

On May 26, 2015, a Form 8K announced that Ken Goulet, Executive Vice President and President of the Commercial and Specialty Business Division will retire from Anthem on September 1, 2015.

On July 24, 2015, the Company's ultimate parent company, Anthem, and Cigna Corporation (Cigna) announced that they entered into an Agreement and Plan of Merger, or Merger Agreement, dated as of July 23, 2015, by and among Anthem, Cigna, and Anthem Merger Sub Corp., a Delaware corporation and a direct wholly-owned subsidiary, pursuant to which Anthem will acquire all outstanding shares of Cigna, or the Acquisition. The Acquisition will further Anthem's goal of creating a premium health benefits company with critical diversification and scale to lead the transformation of health care delivery for consumers. Cigna is a global health services organization that delivers affordable and personalized products and services to customers through employer-based, government-sponsored and individual coverage arrangements. All of Cigna's products and services are provided exclusively by or through its operating subsidiaries, including Connecticut General Life Insurance Company, Cigna Health and Life Insurance Company, Life Insurance Company of North America and Cigna Life Insurance Company of New York. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance. Cigna maintains sales capability in 30 countries and jurisdictions. Under the terms of the Merger Agreement, Cigna's shareholders will receive $103.40 in cash and 0.5152 shares of Anthem's common stock for each Cigna common share outstanding. The value of the transaction is estimated to be approximately $53.0 billion based on the closing price of Anthem's common stock on the New York Stock Exchange on July 23, 2015. The final purchase price will be determined based on Anthem's closing stock price on the date of closing of the Acquisition. The combined company will reflect a pro forma equity ownership comprised approximately 67% Anthem shareholders and approximately 33% Cigna shareholders. Anthem expects to finance the cash portion of the Acquisition through available cash on hand and the issuance of new debt. Anthem entered into a bridge facility commitment letter and a joinder agreement with a group of lenders which will provide up to $22.5 billion under a 364-day senior unsecured bridge term loan credit facility to finance the Acquisition in the event that Anthem has not received proceeds from any combination of (i) senior unsecured term loans, (ii) common or preferred equity or equity-linked securities and/or (iii) senior unsecured notes in a public offering or private placement in an aggregate principal amount of at least $22.5 billion prior to the consummation of the Acquisition. In addition, in August 2015, Anthem entered into a term loan facility which will provide up to $4.0 billion to finance a portion of the Acquisition. The commitment of the lenders to provide the bridge facility and the term loan facility is subject to several conditions, including the completion of the Acquisition. On July 21, 2016, the U.S. Department of Justice, or DOJ, along with certain state attorneys general, filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia seeking to block the Acquisition. Trial commenced on November 21, 2016. At trial, the Court will hear evidence regarding the alleged anti-competitive effects of the Acquisition with respect to the combination of Anthem's and Cigna's National Accounts businesses. Upon conclusion of this first phase, the Court will hear evidence on the DOJ's claims pertaining to local commercial markets and healthcare services rates. Further, in its challenge to the Acquisition, the DOJ has agreed that it will not pursue allegations relating to the sale of Individual Insurance policies on the public exchanges. Anthem intends to vigorously defend the Acquisition in this litigation and remains committed to completing the Acquisition as soon as practicable. Though the Merger Agreement provides that the closing of the Acquisition occur by January 31, 2017, this date can be extended to April 30, 2017 by either Anthem or Cigna through written notice to the other party if all conditions to the merger have been satisfied except for the receipt of regulatory approvals and other governmental consents. If the Merger Agreement is terminated because the required regulatory approvals cannot be obtained, under certain conditions, Anthem would be obligated to pay a $1.85 billion termination fee to Cigna.

On December 1, 2016, a Regulatory Settlement Agreement, (RSA) was entered into by Anthem and the California Department of Insurance, INDOI, Maine Bureau of Insurance, Missouri Department of Insurance, New Hampshire Insurance Department, North Dakota Department of Insurance, and South Carolina Department of Insurance (collectively, the "Lead Regulators") and the insurance regulatory departments, divisions, or offices of each of the remaining States and U.S. jurisdictions that adopt, agree to, and approve this Agreement (the "Participating Regulators"). This RSA resulted from the targeted multistate market conduct and financial examination initially called by the INDOI as lead domestic regulator on February 26, 2015, as a result of Anthem's announcing of the cyber-security breach noted above. The purpose of the examination was to assess Anthem's state of cyber-security preparedness prior to the Data Breach, its post-Data Breach response, the adequacy of measures taken by the Company to mitigate the harm to consumers whose personally identifiable information (PII) was compromised, and determine the identity of the actors responsible for the breach. The results of this examination found that a) Anthem's pre-breach cyber-security was reasonable and included the implementation of technologies and procedures consistent with or exceeding those of a typical organization of its size and type; b) Anthem's preparations to respond to a data breach began well before the incident occurred and included a detailed Incident Response Plan (IR Plan); c) The Company's IR Plan allowed it to timely and effectively respond to the Data Breach when it was discovered, removing the attacker's ability to access the network within three days of identifying the Data Breach; d) The examiners identified the attacker with high confidence and concluded with medium confidence that the attacker was acting on behalf of a foreign government. Attacks associated with this foreign government have not resulted in PII being transferred to non-state actors; e) Anthem promptly communicated and cooperated with law enforcement and regulatory officials; f) Anthem provided affected individuals with notice through direct mailing, emailing, news publications, website notice, and working with State insurance departments; g) Within two weeks of discovering the Data Breach, Anthem contracted with a vendor to provide credit protection services for two years to breach-impacted consumers; and h) Immediately following discover of the Data Breach, Anthem engaged expert consultants to investigate the Data Breach and assist the Company with its post-breach response. To date, the Company has already incurred significant costs related to the Data Breach: $2.5 million to engage expert consultants; $115 million for the implementation of security improvements; $31 million to provide initial notification to the public and affected individuals; and $112 million to provide credit protection to breach-impacted consumers. In light of the facts set forth, the corrective actions already implemented by the Company, and the Additional Corrective Actions agreed to, the Lead Regulators find that administrative fines or penalties are not warranted. Additional Corrective Actions include 1) Continued implementation of enhanced security measures at an estimated additional cost of at least $30 million; 2) Continuation of cyber-security monitoring; and 3) Anthem Minor Credit Protection Program at an estimated additional cost of at least $15 million.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the INDOI and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Merlinos & Associates, Inc., hereinafter collectively referred to as the "Examiners", performed an examination of Anthem Insurance Companies, Inc., as of December 31, 2013.

The INDOI is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached report of examination is a true and complete report of condition of Anthem Insurance Companies, Inc., as of December 31, 2013, as determined by the undersigned.

Michael P. Dinius, CFE
Noble Consulting Services, Inc.

State of: Indiana
County of: Marion

On this 10 day of December 2016, before me personally appeared, Michael P. Dinius, to sign this document.

IN WITNESS WHEROF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

SAMANTHA LEIGH DOUGHERTY
Notary Public, State of Indiana
Hendricks County
Commission # 627605
My Commission Expires
July 04, 2019

My commission expires: Notary Public