

WELLPOINT INC  
Form 11-K  
June 13, 2007  
Table of Contents

---

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

\_\_\_\_\_  
**FORM 11-K**  
\_\_\_\_\_

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year ended December 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-16751

A. Full title of the plan and the address of the plan, if different from

that of the issuer named below:

\_\_\_\_\_  
**WELLPOINT 401(k) RETIREMENT SAVINGS PLAN**  
\_\_\_\_\_

B. Name of issuer of the securities held pursuant to the plan and the address

of its principal executive office:

WellPoint, Inc.

120 Monument Circle



**Table of Contents**

**REQUIRED INFORMATION**

The WellPoint 401(k) Retirement Savings Plan (the Plan ) is subject to the Employee Retirement Income Security Act of 1974, as amended ( ERISA ). In lieu of the requirements of Items 1-3 of Form 11-K, the financial statements of the Plan and the supplemental schedule have been prepared in accordance with the financial reporting requirements of ERISA and are presented herein.

**Table of Contents**

**WELLPOINT 401(k) RETIREMENT SAVINGS PLAN**

**Audited Financial Statements and Schedule**

**December 31, 2006 and 2005**

**and for the Year Ended December 31, 2006**

**With Report of Independent Registered Public Accounting Firm**

**Table of Contents**

**WELLPOINT 401(k) RETIREMENT SAVINGS PLAN**

**Audited Financial Statements and Schedule**

**December 31, 2006 and 2005**

**and for the Year Ended December 31, 2006**

**Contents**

	<b>Page</b>
<u>Report of Independent Registered Public Accounting Firm</u>	4
Audited Financial Statements:	
<u>Statements of Net Assets Available for Benefits</u>	5
<u>Statement of Changes in Net Assets Available for Benefits</u>	6
<u>Notes to Financial Statements</u>	7
Schedule:	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	14

**Table of Contents**

Report of Independent Registered Public Accounting Firm

To the Pension Committee of

Anthem Insurance Companies, Inc.

We have audited the accompanying statements of net assets available for benefits of the WellPoint 401(k) Retirement Savings Plan as of December 31, 2006 and 2005, and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2006 and 2005, and the changes in its net assets available for benefits for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of assets (held at end of year) as of December 31, 2006, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended. This schedule is the responsibility of the Plan's management. The schedule has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Indianapolis, Indiana

June 4, 2007

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Statements of Net Assets Available for Benefits

	December 31	
	2006	2005
<b>Assets</b>		
Investments	<b>\$ 3,111,432,085</b>	\$ 2,566,473,056
Contribution receivable from employer	<b>1,052,363</b>	
Contribution receivable from participants	<b>598,933</b>	
Contribution receivable related to Plan merger cash		25,653,099
Contribution receivable related to Plan merger stock		37,635,402
<b>Net assets available for benefits</b>	<b>\$ 3,113,083,381</b>	\$ 2,629,761,557

*See accompanying notes.*

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2006

<b>Additions</b>	
Net appreciation of investments	\$ 151,203,967
Investment income	89,768,085
Contributions:	
Participant	144,019,686
Rollovers	10,421,928
Employer	92,770,247
Transfer of assets	280,274,967
<b>Total additions</b>	<b>768,458,880</b>
<b>Deductions</b>	
Benefit payments and withdrawals	284,786,584
Administrative fees	350,472
<b>Total deductions</b>	<b>285,137,056</b>
Net increase in net assets available for benefits	483,321,824
Net assets available for benefits at beginning of year	2,629,761,557
Net assets available for benefits at end of year	<b>\$ 3,113,083,381</b>

*See accompanying notes.*



**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements

December 31, 2006

**1. Description of the Plan**

**General**

The WellPoint 401(k) Retirement Savings Plan, which name changed from Anthem 401(k) Long Term Savings Investment Plan effective December 31, 2005 (the Plan), is a defined-contribution plan, which was established to provide savings opportunities for employees of WellPoint, Inc. and certain of its subsidiaries ( Participating Employers ). Employees of the Participating Employers are generally eligible to participate upon employment. Effective December 31, 2006, Anthem Insurance Companies, Inc. ( Anthem Insurance ) transferred sponsorship of the Plan to ATH Holding Company, LLC (the Plan Sponsor ). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ).

On November 30, 2004, Anthem Insurance's parent company, Anthem, Inc. ( Anthem ), and WellPoint Health Networks Inc. ( WHN ) completed their merger. WHN merged with and into Anthem Holding Corp., a direct and wholly owned subsidiary of Anthem, with Anthem Holding Corp. as the surviving entity in the merger. In connection with the merger, Anthem amended its articles of incorporation to change its name to WellPoint, Inc. ( WellPoint ).

**Plan Merger and Transfer of Assets**

Effective December 31, 2006, the Empire Blue Cross and Blue Shield Employee Savings Plan (the Empire Plan ) was merged into the Plan. Total assets of \$280,274,967 were transferred from the Empire Plan to the Plan. Participants of the Empire Plan became eligible to participate in and contribute to the Plan effective January 1, 2007.

WellPoint, through a subsidiary, completed the acquisition of QualChoice Health Plan, Inc. on August 1, 2006. Effective September 1, 2006 participants in the QualChoice UHHS 401(k) Matched Retirement Savings Plan (the UHHS Plan ) who were hired by a Participating Employer in conjunction with the acquisition became eligible to participate in the Plan. These participants were able to rollover balances from the UHHS Plan into the Plan.

Effective December 31, 2005, the WellPoint 401(k) Retirement Savings Plan (the WHN Plan ) was merged into the Plan. Assets transferred from the WHN Plan to the Plan included \$63,288,501 in contributions receivable from Anthem Holding Corp. Participants of the WHN Plan became eligible to participate in and contribute to the Plan effective January 1, 2006.

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Participant Accounts**

Individual accounts are maintained by the Plan for each eligible employee ( Participant ). Each Participant 's account is credited with the Participant 's contributions, allocations of the Plan Sponsor 's contributions, and an allocation of Plan earnings, reduced by Participant withdrawals and certain administrative fees. Participant accounts are Participant directed. Forfeited balances of terminated Participants ' nonvested accounts are used to reduce future Plan Sponsor contributions. The benefit to which a Participant is entitled is the benefit that can be provided from the Participant 's account.

**Contributions**

Participants may make voluntary pretax contributions of 1% to 60% of eligible compensation annually, as defined in the Plan document, subject to limitations imposed by applicable IRS regulations. After the Participant has completed one year of service, the Plan Sponsor will match up to 100% of the first 6% of the Participant 's pretax contribution.

Participants who attain age 50 by the end of the plan year may elect to contribute additional amounts to their account as permitted by the Economic Growth and Tax Relief Reconciliation Act of 2001 and as provided by the Plan. A catch-up contribution enables Participants to contribute additional funds beyond the regular IRS limits as they near retirement. Catch-up contributions are not eligible for matching contributions.

**Investment Options**

Participant investment options consist of certain investment funds, including the WellPoint Stock Fund, plus a Self-Managed Account ( SMA ) option. Participants are permitted to change investment options daily.

Each of the investment funds, including the WellPoint Stock Fund, is divided into units of participation, which are calculated daily by the recordkeeper. The daily value of each unit is determined by dividing the total fair market value of all assets in each fund by the total number of units in that fund. Investment income, including certain administrative fees and net appreciation (depreciation) of the fair value of investments, are allocated to each Participant 's account based on the change in unit value for each investment fund in which the Participant has an account balance.

The SMA is a brokerage option offered through the Plan that allows investments in approximately 2,000 different mutual funds. As a brokerage account, this option is not unitized or collectively priced. Participants experience gains or losses based upon their underlying investment selections and Participants are responsible for all fees associated with the SMA.

---

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Vesting**

Active Participants are immediately 100% vested in employee and employer contributions and any earnings thereon. Participants in former plans of acquired companies who were not active employees at the date the plans were merged into the Plan may be subject to separate vesting schedules.

**Benefit Payments and Withdrawals**

An active Participant in the Plan may make a complete or partial in-service hardship withdrawal of the amounts held in the Participant's account attributable to the Participant's pretax contributions, rollovers, pre-2006 employer match and income allocated to the pretax contribution account. The in-service hardship withdrawal must be necessary in light of an immediate and significant financial need of the Participant due to one of six causes specified by the Plan, and the Participant shall have obtained all other withdrawals and nontaxable loans provided by the Plan.

Participant contributions to the Participant's pretax account are suspended for the six months following a hardship withdrawal from a Participant's pretax account. A Participant may make a withdrawal of voluntary after-tax contributions at any time. Additionally, after attaining age 59 1/2, a Participant may withdraw Participant and Plan Sponsor contributions for any reason.

Upon termination of employment, the Participant is entitled to receive the fully vested current value of his or her account. If the current value of the vested account is less than \$1,000, the account is paid in a lump-sum payment. If the vested account value is more than \$1,000 but less than \$5,000, the account will be rolled over into an IRA unless the Participant elects otherwise. If the vested account value is more than \$5,000, the Participant may elect to keep savings in the Plan. The Participant may elect to have the entire portion, if any, of the account held in the WellPoint Stock Fund paid in whole shares of WellPoint common stock, with fractional shares and any uninvested funds paid in cash. Participant accounts must be distributed by the year following the later of retirement or attainment of age 70 1/2. Upon death, payments are made to the Participant's beneficiary in the form of a lump-sum payment or in installments.

**Participant Loans**

Participants may request a loan not in excess of the lesser of: (1) 50% of the vested account balance, or (2) \$50,000, less the highest outstanding loan balance during the preceding year. Repayment of loans shall not exceed five years, except for loans used to acquire the Participant's principal residence. Each loan bears interest equal to the prime lending rate as listed by Reuters plus 1% and is set on the day the loan is approved. Repayments are made by payroll deduction. Participants may have no more than three loans outstanding at any one time.

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

**Plan Termination**

Although it has not expressed any intent to do so, the Plan Sponsor has the right to terminate the Plan subject to the terms of ERISA. In the event the Plan is terminated, each Participant's account shall be nonforfeitable with respect to both the Participant's and the Plan Sponsor's contributions, and the net assets are to be set aside for the payment of withdrawals to the Participants. The Plan Sponsor has the right to amend the Plan or to suspend matching contributions to the Plan at any time, either permanently or temporarily for any length of time.

**Administration of the Plan**

Through December 31, 2005, State Street Bank and Trust Company ( State Street ) served as the Plan trustee to administer the Plan's assets. Effective January 1, 2006, the Vanguard Fiduciary Trust Company ( Vanguard ) became the Plan trustee and all assets of the Plan were transferred from State Street to Vanguard on January 3, 2006.

The Plan Sponsor may bear certain costs associated with administering the Plan.

More detailed information concerning the Plan may be found by consulting the summary plan description, which is available from the Plan Sponsor.

**2. Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and are in conformity with U.S. generally accepted accounting principles. Accordingly, contributions to the Plan and interest and dividend income are recognized as earned and realized gains and losses and net unrealized appreciation (depreciation) of fair value of investments are recognized as they occur. Plan benefit payments and withdrawals are recognized when paid.

**Use of Estimates**

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

**Investment Valuation and Income Recognition**

Investments are recorded at fair value as determined by the quoted market price on the last business day of the plan year. Shares of mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. WellPoint common stock is valued at the closing price on the New York Stock Exchange on the last business day of the year. Money market funds are valued at cost, which approximates fair value. The group annuity contract held in the Custom Blended Fund is non-benefit responsive and is valued at the amounts deposited to the contract plus interest accumulated at the rate in effect on the deposit date, which approximates fair value. Investments in insurance policies are stated at the cash surrender value of such policies, which approximates fair value. Participant loans are valued at their outstanding balances, which approximate fair value, and are reported with investments. Interest on Participant loans is reported as investment income.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

**Contributions**

Contributions are recorded as additions to net assets available for benefits generally on a bi-weekly basis as the Plan Sponsor authorizes and accrues such contributions.

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**3. Investments**

Investments that represent 5% or more of the Plan's net assets available for benefits as of December 31 were as follows:

	2006	2005
The Vanguard Group mutual funds:		
Prime Money Market Fund	<b>\$ 408,514,590</b>	\$ 187,509,661
Institutional Index Fund	<b>501,029,417</b>	186,373,152
Wellington Fund	<b>218,851,325</b>	170,739,077
PRIMECAP Fund	<b>215,127,635</b>	137,128,385
Total International Stock Index Fund	<b>186,626,415</b>	*
Extended Market Index Fund	<b>167,020,141</b>	*
State Street Global Advisors common collective trusts:		
S&P 500 Index Fund	*	270,085,337
Yield Enhanced Short Term Investment Fund	*	198,408,192
WellPoint, Inc. common stock	<b>487,770,222</b>	543,981,959

\* Does not represent 5% or more of the Plan's net assets available for benefits for this period.

During the year ended December 31, 2006, the Plan's investments, including investments bought, sold and held during the year, appreciated (depreciated) as follows:

Mutual funds	<b>\$ 202,197,749</b>
WellPoint, Inc. common stock	<b>(53,267,873)</b>
Mutual funds in Self-Managed Accounts	<b>2,274,091</b>
Net appreciation of investments	<b>\$ 151,203,967</b>

In connection with the plan merger, assets invested in the Empire Plan guaranteed investment accounts were transferred to the Custom Blended Fund (the Fund). The assets of the Fund consist of a group annuity contract with Principal Life Insurance Company and cash equivalents held in the Vanguard Prime Money Market Fund (the Prime MM Fund). The effective annual interest rate for the annuity is 3.84%, net of expenses. The annuity is paid to the Plan in annual installments through December 31, 2010 with proceeds reinvested in the Prime MM Fund. The annuity contract does not allow payments to the Plan at times other than its annual installments. Participant withdrawals and transfers from the Fund are not restricted and are paid from the Prime MM Fund assets held by the Fund.

**Table of Contents**

WellPoint 401(k) Retirement Savings Plan

Notes to Financial Statements (continued)

**4. Related-Party Transactions**

As of December 31, 2006, the Plan owned approximately 6,198,630 shares of WellPoint common stock with a fair value of \$487,770,222. During 2006, the Plan had net purchases of WellPoint common stock totaling \$130,267,645.

As of December 31, 2005, the Plan owned approximately 6,818,859 shares of WellPoint common stock with a fair value of \$543,981,959.

**5. Income Tax Status**

The Plan has received a determination letter from the IRS dated February 21, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation under Section 501(a) of the Code. Subsequent to the issuance of the favorable determination letter, the Plan has been amended and restated. The Plan Sponsor believes the Plan, as amended and restated, is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

**Table of Contents**

## WellPoint 401(k) Retirement Savings Plan

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2006

EIN: 11-3713086

Plan Number: 003

(a)	(b)	(c)	(e)
lessor, or similar party	Identity of issuer, borrower,	Description of investment including maturity date, interest rate, collateral and par or maturity value	Current value
*	Constellation Sands Capital Select Growth Fund Class I	Mutual Fund	\$ 46,336,617
*	Dimensional Fund Advisors US Vector Portfolio	Mutual Fund	126,402,691
*	Fidelity Investments Low-Priced Stock Fund	Mutual Fund	35,030,945
*	The Vanguard Group Mutual Funds		
		Institutional Index Fund	501,029,417
		Prime Money Market Fund	408,514,590
		Wellington Fund	218,851,325
		PRIMECAP Fund	215,127,635
		Total International Stock Index Fund	186,626,415
		Extended Market Index Fund	167,020,141
		Total Bond Market Index Fund	152,227,302
		Windsor II Fund	147,331,223
		Target Retirement 2025 Fund	84,512,492
		Explorer Fund	67,143,981
		Target Retirement 2035 Fund	36,821,308
		Target Retirement 2015 Fund	29,914,746
		Target Retirement 2045 Fund	7,691,710
		Target Retirement Income Fund	3,512,359
			2,226,324,644
*	Custom Blended Fund		
		Vanguard Group Prime Money Market Fund	10,571,436
		Principal Group annuity contract	43,855,463
			54,426,899
*	WellPoint, Inc. Common Stock Fund		487,770,222
	Self-Managed Accounts	Various mutual fund holdings	18,293,562
*	Participant loans	Interest rates range from 4.0% to 11.0%	116,702,556
	American Mayflower Life Insurance Company	Individual life insurance cash surrender values	143,949
			\$ 3,111,432,085

\* Party-in-Interest



Edgar Filing: WELLPOINT INC - Form 11-K

Note: As all investments are participant directed, column (d) is not applicable and has been eliminated.

**Table of Contents**

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the Pension Committee of Anthem Insurance Companies, Inc. has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

WELLPOINT 401(k) RETIREMENT SAVINGS PLAN

By: /s/ Randal L. Brown  
Randal L. Brown  
Chairman of the Pension Committee of  
Anthem Insurance Companies, Inc.

Date: June 13, 2007

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
23	Consent of Independent Registered Public Accounting Firm