

WELLPOINT, INC  
Form 10-Q  
April 24, 2013  
Table of Contents

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

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period ended March 31, 2013

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from                      to

Commission file number: 001-16751

**WELLPOINT, INC.**

(Exact name of registrant as specified in its charter)

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<b>INDIANA</b> (State or other jurisdiction of incorporation or organization)	<b>35-2145715</b> (I.R.S. Employer Identification Number)
<b>120 MONUMENT CIRCLE;</b> <b>INDIANAPOLIS, INDIANA</b> (Address of principal executive offices)	<b>46204-4903</b> (Zip Code)
<b>Registrant's telephone number, including area code: (317) 488-6000</b>	

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<b>Title of Each Class</b>	<b>Outstanding at April 11, 2013</b>
Common Stock, \$0.01 par value	300,362,528 shares

**Table of Contents**

WellPoint, Inc.

Quarterly Report on Form 10-Q

For the Period Ended March 31, 2013

**Table of Contents**

	<b>Page</b>
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
ITEM 1. <u>FINANCIAL STATEMENTS</u>	
<u>Consolidated Balance Sheets as of March 31, 2013 (Unaudited) and December 31, 2012</u>	3
<u>Consolidated Statements of Income (Unaudited) for the Three Months Ended March 31, 2013 and 2012</u>	4
<u>Consolidated Statements of Comprehensive Income (Unaudited) for the Three Months Ended March 31, 2013 and 2012</u>	5
<u>Consolidated Statements of Cash Flows (Unaudited) for the Three Months Ended March 31, 2013 and 2012</u>	6
<u>Consolidated Statements of Shareholders' Equity (Unaudited) for the Three Months Ended March 31, 2013 and 2012</u>	7
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	8
ITEM 2. <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	27
ITEM 3. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	41
ITEM 4. <u>CONTROLS AND PROCEDURES</u>	41
<b><u>PART II. OTHER INFORMATION</u></b>	
ITEM 1. <u>LEGAL PROCEEDINGS</u>	41
ITEM 1A. <u>RISK FACTORS</u>	41
ITEM 2. <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	42
ITEM 3. <u>DEFAULTS UPON SENIOR SECURITIES</u>	42
ITEM 4. <u>MINE SAFETY DISCLOSURES</u>	42
ITEM 5. <u>OTHER INFORMATION</u>	42
ITEM 6. <u>EXHIBITS</u>	42
<b><u>SIGNATURES</u></b>	43
<b><u>INDEX TO EXHIBITS</u></b>	44

**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****WellPoint, Inc.****Consolidated Balance Sheets**

<i>(In millions, except share data)</i>	<b>March 31, 2013</b>	<b>December 31, 2012</b>
	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,665.3	\$ 2,484.6
Investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$17,006.7 and \$16,033.1)	17,819.1	16,912.9
Equity securities (cost of \$904.0 and \$869.9)	1,355.4	1,212.4
Other invested assets, current	17.0	14.8
Accrued investment income	172.9	162.2
Premium and self-funded receivables	4,098.9	3,687.4
Other receivables	928.2	928.8
Income taxes receivable		228.5
Securities lending collateral	577.5	564.6
Deferred tax assets, net	135.4	243.2
Other current assets	1,891.0	1,829.0
<b>Total current assets</b>	<b>28,660.7</b>	<b>28,268.4</b>
Long-term investments available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$464.4 and \$426.0)	468.6	431.5
Equity securities (cost of \$27.0 and \$27.1)	30.2	30.1
Other invested assets, long-term	1,482.4	1,387.7
Property and equipment, net	1,738.1	1,738.3
Goodwill	17,489.5	17,510.5
Other intangible assets	9,055.8	9,102.8
Other noncurrent assets	483.3	486.1
<b>Total assets</b>	<b>\$ 59,408.6</b>	<b>\$ 58,955.4</b>
<b>Liabilities and shareholders equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Policy liabilities:		
Medical claims payable	\$ 6,215.4	\$ 6,174.5
Reserves for future policy benefits	57.3	61.3
Other policyholder liabilities	2,359.7	2,345.7
<b>Total policy liabilities</b>	<b>8,632.4</b>	<b>8,581.5</b>
Unearned income	865.7	896.8
Accounts payable and accrued expenses	2,936.8	3,132.5
Income taxes payable	204.8	
Security trades pending payable	215.5	69.3
Securities lending payable	577.5	564.7
Short-term borrowings	350.0	250.0
Current portion of long-term debt	399.4	557.1
Other current liabilities	1,848.0	1,785.0
<b>Total current liabilities</b>	<b>16,030.1</b>	<b>15,836.9</b>
Long-term debt, less current portion	14,030.0	14,170.8
Reserves for future policy benefits, noncurrent	770.8	750.8
Deferred tax liabilities, net	3,287.9	3,381.0

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Other noncurrent liabilities	971.8	1,013.2
<b>Total liabilities</b>	<b>35,090.6</b>	<b>35,152.7</b>
Commitment and contingencies - Note 9		
<b>Shareholders' equity</b>		
Preferred stock, without par value, shares authorized 100,000,000; shares issued and outstanding none		
Common stock, par value \$0.01, shares authorized 900,000,000; shares issued and outstanding: 300,693,279 and 304,715,144	3.0	3.0
Additional paid-in capital	10,697.4	10,853.5
Retained earnings	13,275.1	12,647.1
Accumulated other comprehensive income	342.5	299.1
<b>Total shareholders' equity</b>	<b>24,318.0</b>	<b>23,802.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 59,408.6</b>	<b>\$ 58,955.4</b>

See accompanying notes.

**Table of Contents****WellPoint, Inc.****Consolidated Statements of Income**

(Unaudited)

	Three Months Ended March 31	
	2013	2012
<i>(In millions, except per share data)</i>		
<b>Revenues</b>		
Premiums	\$ 16,435.6	\$ 14,138.5
Administrative fees	990.1	995.8
Other revenue	120.6	15.9
<b>Total operating revenue</b>	<b>17,546.3</b>	<b>15,150.2</b>
Net investment income	162.0	169.0
Net realized gains on investments	16.8	106.9
Other-than-temporary impairment losses on investments:		
Total other-than-temporary impairment losses on investments	(37.9)	(13.7)
Portion of other-than-temporary impairment losses recognized in other comprehensive income		2.8
Other-than-temporary impairment losses recognized in income	(37.9)	(10.9)
<b>Total revenues</b>	<b>17,687.2</b>	<b>15,415.2</b>
<b>Expenses</b>		
Benefit expense	13,748.7	11,771.9
Selling, general and administrative expense:		
Selling expense	385.9	393.3
General and administrative expense	1,979.1	1,772.4
<b>Total selling, general and administrative expense</b>	<b>2,365.0</b>	<b>2,165.7</b>
Cost of products	65.0	
Interest expense	153.5	109.1
Amortization of other intangible assets	67.9	58.7
<b>Total expenses</b>	<b>16,400.1</b>	<b>14,105.4</b>
<b>Income before income tax expense</b>	<b>1,287.1</b>	<b>1,309.8</b>
Income tax expense	401.9	453.3
<b>Net income</b>	<b>\$ 885.2</b>	<b>\$ 856.5</b>
<b>Net income per share</b>		
Basic	\$ 2.92	\$ 2.56
Diluted	\$ 2.89	\$ 2.53
<b>Dividends per share</b>	<b>\$ 0.3750</b>	<b>\$ 0.2875</b>

*See accompanying notes.*



**Table of Contents****WellPoint, Inc.****Consolidated Statements of Comprehensive Income**

(Unaudited)

<i>(In millions)</i>	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2013</b>	<b>2012</b>
<b>Net income</b>	\$ 885.2	\$ 856.5
<b>Other comprehensive income, net of tax:</b>		
Change in net unrealized gains/losses on investments	34.5	107.3
Change in non-credit component of other-than-temporary impairment losses on investments	2.2	4.8
Change in net unrealized gains/losses on cash flow hedges	0.7	0.6
Change in net periodic pension and postretirement costs	6.8	6.7
Foreign currency translation adjustments	(0.8)	0.7
<b>Other comprehensive income</b>	43.4	120.1
<b>Total comprehensive income</b>	\$ 928.6	\$ 976.6

*See accompanying notes.*



**Table of Contents**

**WellPoint, Inc.**

**Consolidated Statements of Cash Flows**

(Unaudited)

	<b>Three Months Ended March 31</b>	
	<b>2013</b>	<b>2012</b>
<i>(In millions)</i>		
<b>Operating activities</b>		
Net income	\$ 885.2	\$ 856.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized gains on investments		