

CIGNA CORP  
Form DEFM14A  
October 28, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**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 under §240.14a-12

**Cigna Corporation**

**(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):

- x No fee required.
- .. 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:
- .. Fee paid previously with preliminary materials.
- .. 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:
  
  - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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October 28, 2015

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

**Dear Anthem, Inc. and Cigna Corporation Shareholders:**

Anthem, Inc., referred to as Anthem, and Cigna Corporation, referred to as Cigna, have entered into an Agreement and Plan of Merger, dated as of July 23, 2015, as it may be amended from time to time, referred to as the merger agreement, under which Anthem Merger Sub Corp., a direct wholly owned subsidiary of Anthem, will be merged with and into Cigna, referred to as the merger, and Cigna will continue as the initial surviving corporation, referred to as the initial surviving corporation, in the merger and a wholly owned subsidiary of Anthem. If certain tax opinions are delivered, immediately following the completion of the merger, the initial surviving corporation will be merged with and into Anthem, referred to as the second merger, and, together with the merger, the mergers, and Anthem will continue as the surviving corporation. If the merger is completed, Cigna shareholders will receive, in exchange for each share of Cigna common stock owned immediately prior to the merger, (1) 0.5152 of a share of Anthem common stock, par value \$0.01 per share, and (2) \$103.40 in cash. This exchange ratio is fixed and will not be adjusted to reflect changes in Anthem's or Cigna's stock price. Based on the estimated number of shares of Anthem and Cigna common stock that will be outstanding immediately prior to the completion of the merger, it is expected that, immediately after completion of the merger and the related transactions described in the accompanying joint proxy statement/prospectus, former Cigna shareholders will own approximately 33% of the outstanding shares of Anthem common stock. Shares of Anthem common stock are listed on the New York Stock Exchange, referred to as the NYSE, under the trading symbol ANTM, and shares of Cigna common stock are listed on the NYSE under the trading symbol CI.

Anthem and Cigna will each hold special meetings of their respective shareholders to vote on certain matters in connection with the proposed merger. At the Anthem special meeting, Anthem shareholders will be asked to vote on a proposal to approve the issuance of shares of Anthem common stock pursuant to the merger agreement, referred to as the share issuance. In addition, Anthem shareholders will be asked to vote on a proposal to approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. At the Cigna special meeting, Cigna shareholders will be asked to vote on a proposal to adopt the merger agreement. In addition, Cigna shareholders will be asked to vote on a proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and on a proposal to approve the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

The merger cannot be completed unless (1) Anthem shareholders approve the share issuance by the affirmative vote of the holders of a majority of the votes cast, in person or by proxy, at the Anthem special meeting in favor of the share issuance and (2) the Cigna shareholders adopt the merger agreement by the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Cigna common stock outstanding and entitled to vote upon adoption of the merger agreement at the Cigna special meeting. **It is important that your shares be represented and voted regardless of the size of your holdings. Whether or not you plan to attend the Anthem special meeting or the Cigna special meeting, as applicable, we urge you to submit a proxy to have your shares voted in advance of the**

**Anthem special meeting or the Cigna special meeting, as applicable, by using one of the methods described in the accompanying joint proxy statement/prospectus.**

**The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote FOR the share issuance and FOR the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. The Cigna board of directors unanimously recommends that Cigna shareholders vote FOR the adoption of the merger agreement, FOR the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and FOR the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.**

The accompanying joint proxy statement/prospectus provides important information regarding the Anthem special meeting and the Cigna special meeting and a detailed description of the merger agreement, the merger and the matters to be presented at the Anthem special meeting and the Cigna special meeting. **We urge you to read the accompanying joint proxy statement/prospectus (and any documents incorporated by reference into the accompanying joint proxy statement/prospectus) carefully and in its entirety. Please pay particular attention to the section entitled Risk Factors beginning on page 67 of the accompanying joint proxy statement/prospectus.**

We hope to see you at the Anthem special meeting or the Cigna special meeting, as applicable, and look forward to the successful completion of the merger.

Sincerely,

/s/ Joseph R. Swedish  
Joseph R. Swedish  
President and Chief Executive  
Officer  
*Anthem, Inc.*

/s/ George A. Schaefer, Jr.  
George A. Schaefer, Jr.  
Chairman of the Board  
*Anthem, Inc.*

/s/ David M. Cordani /s/ Isaiah Harris, Jr.  
David M. Cordani Isaiah Harris, Jr.  
President and Chief Chairman of the  
Executive Officer Board  
*Cigna Corporation Cigna Corporation*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the transactions described in the accompanying joint proxy statement/prospectus or determined that the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The accompanying joint proxy statement/prospectus is dated October 28, 2015, and is first being mailed to Anthem shareholders and Cigna shareholders on or about October 28, 2015.

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**ANTHEM, INC.**

**120 Monument Circle**

**Indianapolis, Indiana 46204**

**Notice of Special Meeting of Shareholders**

**To be Held on Thursday, December 3, 2015**

**October 28, 2015**

To the Shareholders of Anthem, Inc.:

A special meeting of shareholders of Anthem, Inc., an Indiana corporation, referred to as "Anthem", will be held at 8:00 a.m., Eastern Time, on Thursday, December 3, 2015, at the Conrad Hotel at 50 West Washington Street, Indianapolis, Indiana 46204. At the special meeting, Anthem shareholders will be asked to approve the issuance of Anthem common stock, par value \$0.01 per share, to Cigna Corporation shareholders as part of the consideration in the merger, referred to as the "merger", contemplated by the Agreement and Plan of Merger, dated as of July 23, 2015, as it may be amended from time to time, referred to as the "merger agreement", among Anthem, Anthem Merger Sub Corp., a Delaware corporation and a direct wholly owned subsidiary of Anthem, and Cigna Corporation, a copy of which is attached as **Annex A** to this joint proxy statement/prospectus. Such issuance is referred to as the "share issuance". Anthem shareholders will also be asked to approve a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the special meeting.

Anthem will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the accompanying joint proxy statement/prospectus for further information with respect to the business to be transacted at the special meeting.

The Anthem board of directors has fixed October 22, 2015, as the Anthem record date for the special meeting. Only holders of record of Anthem common stock as of the close of business on the Anthem record date are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof.

Attendance at the special meeting will be limited to Anthem shareholders as of the close of business on the Anthem record date and to guests of Anthem, as more fully described under the section entitled *Anthem Special Meeting Date, Time and Place* beginning on page 80 of the accompanying joint proxy statement/prospectus. You must have an admission ticket, as well as a form of government-issued photo identification, in order to be admitted to the Anthem special meeting. If you are an Anthem shareholder of record and received a printed copy of Anthem's proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the Anthem special 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 Anthem common stock as of the close of business on the Anthem record date of October 22, 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 common stock held by you on the Anthem record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the close of business on the Anthem record date.

Seating is limited, so we suggest that you arrive early. The doors will open at 7:30 a.m., Eastern Time.

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Approval of the share issuance and approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the special meeting requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting.

**The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote FOR the share issuance and FOR the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the Anthem special meeting.**

**Your vote is very important. Whether or not you expect to attend the special meeting in person, we urge you to submit a proxy as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) marking, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the special meeting. If your shares are held in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction card furnished by such broker, bank or other nominee.**

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes carefully and in their entirety. In particular, see the section entitled *Risk Factors* beginning on page 67 of the accompanying joint proxy statement/prospectus. If you have any questions concerning the merger, the merger agreement, the share issuance, the special meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help submitting a proxy to have your shares of Anthem common stock voted, please contact Anthem's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Telephone (Toll-Free): (800) 322-2885

Telephone (Collect): (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

By Order of the Board of Directors,

/s/ Kathleen S. Kiefer

Kathleen S. Kiefer

Corporate Secretary



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**CIGNA CORPORATION**  
**900 Cottage Grove Road**  
**Bloomfield, Connecticut 06002**

**Notice of Special Meeting of Shareholders**

**To be Held on Thursday, December 3, 2015**

October 28, 2015

**Date and Time:** Thursday, December 3, 2015, at 9:00 a.m. Eastern Time (8:00 a.m. Central Time)

**Place:** Hyatt Regency O Hare at 9300 Bryn Mawr Avenue, Rosemont, Illinois 60018

**Items of Business:**

To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of July 23, 2015 (as it may be amended from time to time, the merger agreement ), among Anthem, Inc., an Indiana corporation ( Anthem ), Anthem Merger Sub Corp., a Delaware corporation ( Merger Sub ), and Cigna Corporation, a Delaware corporation ( Cigna ), a copy of which is attached as **Annex A** to the joint proxy statement/prospectus accompanying this notice;

To consider and vote on a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna s named executive officers in connection with the completion of the merger; and

To consider and vote on a proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

**Record Date:** October 22, 2015. Only Cigna shareholders of record at the close of business on the record date are entitled to receive this notice and vote at the meeting and any adjournment or postponement of the meeting.

A list of shareholders of record entitled to vote at the Cigna special meeting will be made available for a period of at least ten days prior to the date of the Cigna special meeting at our executive offices and principal place of business at 900 Cottage Grove Road, Bloomfield, Connecticut for examination by Cigna shareholders during ordinary business

hours. A Cigna shareholder desiring to examine the list should contact Cigna's Shareholder Services at Two Liberty Place, 5th Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550 or by phone at (215) 761-3516, to make necessary arrangements. The list will also be available at the Cigna special meeting for examination by Cigna shareholders present at the Cigna special meeting.

**Proxy Voting:** Your vote is very important, regardless of the number of shares you own. We urge you to promptly vote by telephone, by using the Internet, or, if you received a proxy card or instruction form, by completing, dating, signing and returning it by mail.

At a meeting on July 23, 2015, the Cigna board of directors unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna

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shareholders for their adoption, (4) recommended that Cigna shareholders vote **FOR** the adoption of the merger agreement and (5) further resolved that it recommend to the shareholders of Cigna that they approve a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the merger and the other transactions contemplated by the merger agreement pursuant to already existing contractual obligations of Cigna (as such obligations may be amended consistent with the terms of the merger agreement).

**The Cigna board of directors unanimously recommends that Cigna shareholders vote FOR the adoption of the merger agreement, FOR the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and FOR the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.**

The joint proxy statement/prospectus, including the annexes, contains further information with respect to the business to be transacted at the Cigna special meeting. We urge you to read the joint proxy statement/prospectus, including any documents incorporated by reference, and the annexes carefully and in their entirety. Cigna will transact no other business at the Cigna special meeting except such business as may properly be brought before the Cigna special meeting or any adjournments or postponements thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the Cigna special meeting.

If you have any questions concerning the merger, the proposal to adopt the merger agreement, the proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger or the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement, or if you would like additional copies of the accompanying joint proxy statement/prospectus or need help submitting a proxy to have your shares of Cigna common stock voted, please contact Cigna's proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Shareholders May Call Toll-Free: (877) 456-3510

Banks & Brokers May Call Collect: (212) 750-5833

By order of the Board of Directors,

/s/ Neil Boyden Tanner

Neil Boyden Tanner

Corporate Secretary

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**ADDITIONAL INFORMATION**

The accompanying joint proxy statement/prospectus incorporates important business and financial information about Anthem and Cigna from documents that are not included in or delivered with the accompanying joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference into the accompanying joint proxy statement/prospectus (other than certain exhibits or schedules to these documents) by requesting them in writing, via email or by telephone from Anthem or Cigna at the following addresses and telephone numbers:

Anthem, Inc.	Cigna Corporation
120 Monument Circle	Two Liberty Place, 5 <sup>th</sup> Floor
Mail No. IN0102-B381	1601 Chestnut Street
Indianapolis, Indiana 46204	Philadelphia, Pennsylvania 19192-1550
Attention: Shareholder Services	Attention: Shareholder Services
Email: <a href="mailto:shareholder.services@anthem.com">shareholder.services@anthem.com</a>	Email: <a href="mailto:shareholderservices@cigna.com">shareholderservices@cigna.com</a>
Telephone: (800) 985-0999	Telephone: (215) 761-3516

In addition, if you have questions about the share issuance, the mergers or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact MacKenzie Partners, Inc., Anthem's proxy solicitor, toll-free at (800) 322-2885 or collect at (212) 929-5500, or Innisfree M&A Incorporated, Cigna's proxy solicitor, toll-free at (877) 456-3510, and which banks, brokers and other nominees may call collect at (212) 750-5833. You will not be charged for any of these documents that you request.

**If you would like to request documents, please do so no later than five business days before the date of the Anthem special meeting of shareholders (which is November 25, 2015) or five business days before the date of the Cigna special meeting of shareholders (which is November 25, 2015), to receive them before the respective special meeting.**

See the section entitled *Where You Can Find More Information* beginning on page 241 of the accompanying joint proxy statement/prospectus for further information.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Anthem with the U.S. Securities and Exchange Commission, constitutes a prospectus of Anthem under Section 5 of the Securities Act of 1933, as amended, with respect to the shares of Anthem common stock to be issued to Cigna shareholders as consideration in the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Anthem and Cigna under Section 14(a) of the Securities Exchange Act of 1934, as amended. In addition, it constitutes a notice of meeting with respect to the Anthem special meeting and a notice of meeting with respect to the Cigna special meeting.

Anthem and Cigna have not authorized anyone to give you any information other than the information contained in or incorporated by reference into this joint proxy statement/prospectus. Anthem and Cigna take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated October 28, 2015. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of such information. Neither our mailing of this joint proxy statement/prospectus to Anthem shareholders or Cigna shareholders nor the issuance by Anthem of shares of Anthem common stock pursuant to the merger agreement will create any implication to the contrary.

**This joint proxy statement/prospectus shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Anthem has been provided by Anthem and information contained in this joint proxy statement/prospectus regarding Cigna has been provided by Cigna.**

Unless otherwise indicated or as the context otherwise requires, all references in this joint proxy statement/prospectus to:

Anthem refer to Anthem, Inc., an Indiana corporation;

Anthem articles of incorporation refer to the Amended and Restated Articles of Incorporation of Anthem, as amended effective December 2, 2014;

Anthem by-laws refer to the By-laws of Anthem, as amended July 23, 2015;

Anthem common stock refer to Anthem common stock, par value \$0.01 per share;

Anthem financial advisors refer to UBS and Credit Suisse;

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Anthem record date refer, as to the Anthem shareholders entitled to receive notice of, and to vote at, the Anthem special meeting, to the close of business on October 22, 2015;

Anthem stock value refer to the average of the volume weighted average price per share of Anthem common stock on the NYSE on each of the five consecutive trading days ending with the second complete trading day immediately prior to the closing date of the merger;

cash consideration refer to the cash portion of the merger consideration to be received by Cigna shareholders in the merger, equal to \$103.40 in cash per share of Cigna common stock, without interest;

Cigna refer to Cigna Corporation, a Delaware corporation;

Cigna by-laws refer to the By-Laws of Cigna, as last amended and restated December 6, 2012;

Cigna certificate of incorporation refer to the Restated Certificate of Incorporation of Cigna, as last amended October 28, 2011;

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Cigna common stock refer to Cigna common stock, par value \$0.25 per share;

Cigna's financial advisor refer to Morgan Stanley;

Cigna record date refer, as to the Cigna shareholders entitled to receive notice of, and to vote at, the Cigna special meeting, to the close of business on October 22, 2015;

Cigna stock plan refer to the obligations of Cigna under all plans and agreements pursuant to which a Cigna stock option or other stock award has been issued or deferred;

Computershare refer to Computershare Inc.;

Credit Suisse refer to Credit Suisse Securities (USA) LLC;

DGCL refer to the General Corporation Law of the State of Delaware;

DOJ refer to the U.S. Department of Justice;

equity award exchange ratio refer to the sum of (1) the stock consideration plus (2) the quotient of (A) the cash consideration divided by (B) the Anthem stock value;

Exchange Act refer to the Securities Exchange Act of 1934, as amended;

exchange ratio refer to 0.5152 of a share of Anthem common stock per share of Cigna common stock;

Fidelity refer to Fidelity Stock Plan Services, LLC;

FTC refer to the U.S. Federal Trade Commission;

GAAP refer to U.S. Generally Accepted Accounting Principles;

HSR or HSR Act refer to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;



IBCL refer to the Indiana Business Corporation Law;

initial surviving corporation refer to Cigna as the surviving entity following the merger;

merger refer to the merger of Merger Sub with and into Cigna; as a result of the merger, the separate corporate existence of Merger Sub will cease, and Cigna will continue as the initial surviving corporation in the merger and a wholly owned subsidiary of Anthem;

mergers refer to the merger together with the second merger;

merger agreement refer to the Agreement and Plan of Merger, dated as of July 23, 2015, as it may be amended from time to time, among Anthem, Merger Sub and Cigna, a copy of which is attached as **Annex A** to this joint proxy statement/prospectus;

merger consideration refer to the consideration, per share of Cigna common stock, to be received by Cigna shareholders in the merger, consisting of (1) 0.5152 shares of Anthem common stock and (2) \$103.40 in cash, without interest;

Merger Sub refer to Anthem Merger Sub Corp., a Delaware corporation and a direct wholly owned subsidiary of Anthem;

Morgan Stanley refer to Morgan Stanley & Co. LLC;

NYSE refer to the New York Stock Exchange;

SEC refer to the U.S. Securities and Exchange Commission;

second merger refer to the merger of the initial surviving corporation with and into Anthem, with Anthem continuing as the surviving corporation pursuant to the second merger agreement;

second merger agreement refer to the agreement and plan of merger related to the second merger to be entered into by and between Cigna and Anthem, the form of which is attached as Exhibit A to the merger agreement;

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Securities Act refer to the Securities Act of 1933, as amended;

share issuance refer to the issuance of Anthem common stock to Cigna shareholders as stock consideration in the merger contemplated by the merger agreement;

stock consideration refer to the stock portion of the merger consideration to be received by Cigna shareholders in the merger, equal to 0.5152 shares of Anthem common stock, per share of Cigna common stock;

surviving corporation refer to Anthem as the surviving entity following the second merger;

surviving entity refer to the initial surviving corporation until such time that the second merger occurs, in which case the surviving entity means the surviving corporation; and

UBS refer to UBS Securities LLC.

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**QUESTIONS AND ANSWERS**

*The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, share issuance and matters to be addressed at the special meetings. These questions and answers may not address all questions that may be important to Anthem shareholders and Cigna shareholders. To better understand these matters, and for a description of the legal terms governing the merger and share issuance, you should carefully read this entire joint proxy statement/prospectus, including the attached annexes, as well as the documents that have been incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus.*

***Q: Why am I receiving this joint proxy statement/prospectus?***

A: Anthem and Cigna have agreed to a merger, pursuant to which Cigna will become a wholly owned subsidiary of Anthem and will no longer be a publicly held corporation. If the merger is completed, each share of Cigna common stock issued and outstanding immediately prior to the effective time of the merger (other than (1) treasury shares held by Cigna, (2) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares of Cigna common stock that are owned by Cigna shareholders who have not voted in favor of the merger and who have properly demanded in writing appraisal for such shares pursuant to Section 262 of the DGCL and (4) shares of Cigna common stock subject to Cigna restricted stock awards) will automatically be converted into the right to receive (x) \$103.40 in cash, without interest, and (y) 0.5152 shares of Anthem common stock. In order to complete the merger, among other conditions as described in this joint proxy statement/prospectus, Anthem shareholders must approve the share issuance to Cigna shareholders in the merger, and Cigna shareholders must adopt the merger agreement.

Anthem is holding a special meeting of shareholders to obtain the shareholder approval necessary to approve the share issuance and to approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

Cigna is holding a special meeting of shareholders to obtain the shareholder approval necessary to adopt the merger agreement. In addition, Cigna shareholders will also be asked to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and to approve the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting. Cigna's named executive officers are identified under the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Interests of Certain Cigna Directors and Executive Officers in the Merger* beginning on page 164 of this joint proxy statement/prospectus.

This joint proxy statement/prospectus serves as both a joint proxy statement of Anthem and Cigna and a prospectus of Anthem in connection with the merger.

Your vote is very important. We encourage you to submit a proxy to have your shares of Anthem common stock or Cigna common stock voted as soon as possible.

***Q: What will Cigna shareholders receive in the merger?***

A: If the merger is completed, each share of Cigna common stock issued and outstanding immediately prior to the effective time of the merger (other than (1) treasury shares held by Cigna, (2) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares of Cigna common stock that are owned by Cigna shareholders who have not voted in favor of the merger and who have properly demanded in writing appraisal for such shares pursuant to Section 262 of the DGCL

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and (4) shares of Cigna common stock subject to Cigna restricted stock awards) will automatically be converted into the right to receive (x) \$103.40 in cash, without interest, and (y) 0.5152 shares of Anthem common stock. No fractional shares of Anthem common stock will be issued in the merger, and Cigna shareholders will receive cash in lieu of any fractional shares.

Based on the unaffected closing price per share of Anthem common stock on the NYSE on May 28, 2015, which was the last trading day prior to public rumors that Humana Inc. was exploring a sale, the merger consideration represented approximately \$188.01 in value per share of Cigna common stock. Based on the closing price per share of Anthem common stock on the NYSE on October 22, 2015, the most recent practicable trading day prior to the date of this joint proxy statement/prospectus, the merger consideration represented approximately \$175.22 in value for each share of Cigna common stock. **Because Anthem will issue a fixed number of shares of Anthem common stock in exchange for each share of Cigna common stock, the value of the merger consideration that Cigna shareholders will receive in the merger will depend on the market price of shares of Anthem common stock at the time the merger is completed. As a result, the value of the merger consideration that Cigna shareholders will receive upon completion of the merger could be greater than, less than or the same as the value of the merger consideration on the date of this joint proxy statement/prospectus or at the time of the Anthem or Cigna special meetings.**

***Q: What happens if the merger is not completed?***

A: If the merger is not completed for any reason, Cigna shareholders will not receive any consideration for their shares of Cigna common stock, and Cigna will remain an independent public company with Cigna common stock being traded on the NYSE.

***Q: If I am a Cigna shareholder, how will I receive the merger consideration to which I am entitled?***

A: After receiving the proper documentation from you, following the effective time of the merger, the exchange agent will forward to you the Anthem common stock, the cash portion of the merger consideration and any cash in lieu of fractional shares to which you are entitled. For additional information about the exchange of shares of Cigna common stock for shares of Anthem common stock and cash, see the section entitled *The Merger Agreement Exchange of Certificates* beginning on page 185 of this joint proxy statement/prospectus.

***Q: When and where will the special meetings be held?***

A: The Anthem special meeting will be held at 8:00 a.m., Eastern Time, on Thursday, December 3, 2015, at the Conrad Hotel at 50 West Washington Street, Indianapolis, Indiana 46204.  
The Cigna special meeting will be held at 9:00 a.m., Eastern Time (8:00 a.m. Central Time), on Thursday, December 3, 2015, at the Hyatt Regency O Hare at 9300 Bryn Mawr Avenue, Rosemont, Illinois 60018.

***Q: Who is entitled to vote at the special meetings?***

A: Only holders of record of Anthem common stock as of the close of business on the Anthem record date, October 22, 2015, are entitled to receive notice of, and to vote at, the Anthem special meeting and any adjournment or postponement thereof. As of the close of business on the Anthem record date, there were 260,983,596 shares of Anthem common stock outstanding. Each outstanding share of Anthem common stock is entitled to one vote.

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Only holders of record of Cigna common stock as of the close of business on the Cigna record date, October 22, 2015, are entitled to receive notice of, and to vote at, the Cigna special meeting and any adjournment or postponement thereof. As of the close of business on the Cigna record date, there were 257,627,908 shares of Cigna common stock outstanding. Each outstanding share of Cigna common stock is entitled to one vote.

***Q: Who may attend the Anthem special meeting?***

A: You must have an admission ticket, as well as a form of government-issued photo identification, in order to be admitted to the Anthem special meeting. If you are an Anthem shareholder of record and received a printed copy of Anthem's proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the Anthem special 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 Anthem common stock as of the close of business on the Anthem record date 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 common stock held by you on the Anthem record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the close of business on the Anthem record date.

If you wish to appoint a representative to attend the Anthem special 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 the admission ticket portion of your proxy card if you are an Anthem shareholder of record, or your proof of ownership if you are a beneficial owner, and the address where the admission ticket should be sent. An Anthem shareholder may only appoint one representative. Requests from Anthem 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 November 25, 2015, may not be able to be processed in time to allow you to receive your admission ticket before the date of the Anthem special meeting so you should mail your request early.

***Q: Who may attend the Cigna special meeting?***

A: You must have an admission ticket, as well as a valid form of government-issued photo identification, in order to be admitted to the Cigna special meeting. If you are a Cigna shareholder of record and received a printed copy of Cigna's proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the Cigna special 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 Cigna common stock as of the close of business on the Cigna record date of October 22, 2015, to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16th Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550. Proof of ownership would be a bank or brokerage account statement in your name showing the number of shares of Cigna common stock held by you on the Cigna record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the close of business on the Cigna record date.

If you wish to appoint a representative to attend the Cigna special meeting in your place, you must provide to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16th Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550, the name of your representative, in addition to the admission ticket portion of your proxy card if you are a Cigna 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 Cigna shareholder may only appoint one representative. Requests from Cigna 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.

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Requests received after November 25, 2015, may not be able to be processed in time to allow you to receive your admission ticket before the date of the Cigna special meeting so you should mail your request early.

***Q: What are Anthem shareholders being asked to vote on?***

A: Anthem shareholders are being asked to vote on the following proposals:

to approve the share issuance; and

to approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

The approval of the share issuance by Anthem shareholders is a condition to the obligations of Anthem and Cigna to complete the merger. The approval of the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting is not a condition to the obligations of Anthem and Cigna to complete the merger.

***Q: What are Cigna shareholders being asked to vote on?***

A: Cigna shareholders are being asked to vote on the following proposals:

to adopt the merger agreement, pursuant to which Merger Sub will be merged with and into Cigna with Cigna continuing as the initial surviving corporation as a wholly owned subsidiary of Anthem;

to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger; and

to approve the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

The adoption of the merger agreement by Cigna shareholders is a condition to the obligations of Anthem and Cigna to complete the merger. The approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger is not a condition to the obligations of Anthem or Cigna to complete the merger. The approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting also is not a condition to the obligations of Anthem or Cigna to complete the merger.



***Q: Are there any important risks about the merger or Anthem's business of which I should be aware?***

A: Yes, there are important risks involved. Before making any decision on whether and how to vote, Anthem and Cigna urge you to read carefully and in its entirety the section entitled *Risk Factors* beginning on page 67 of this joint proxy statement/prospectus.

***Q: How does the Anthem board of directors recommend that Anthem shareholders vote?***

A: The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement (1) determined that the share issuance is in the best interests of Anthem and Anthem shareholders, and (2) approved the merger agreement and the transactions contemplated thereby, including the mergers and the share issuance.

The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote **FOR** the share issuance and

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**FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. See the sections entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Anthem s Reasons for the Merger; Recommendation of the Anthem Board of Directors* and *Anthem Proposal II: Adjournment of Anthem Special Meeting* beginning on pages 116 and 210, respectively, of this joint proxy statement/prospectus.

***Q: How does the Cigna board of directors recommend that Cigna shareholders vote?***

A: The Cigna board of directors unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna shareholders for their adoption, (4) recommended that Cigna shareholders vote **FOR** the adoption of the merger agreement and (5) further resolved that it recommend to the shareholders of Cigna that they approve a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna s named executive officers in connection with the merger and the other transactions contemplated by the merger agreement pursuant to already existing contractual obligations of Cigna (as such obligations may be amended consistent with the terms of the merger agreement).

The Cigna board of directors unanimously recommends that Cigna shareholders vote **FOR** the adoption of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna s named executive officers in connection with the completion of the merger and **FOR** the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting. See the sections entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Cigna s Reasons for the Merger; Recommendation of the Cigna Board of Directors, Cigna Proposal II: Non-Binding, Advisory Vote on Compensation* and *Cigna Proposal III: Adjournment of Cigna Special Meeting* beginning on pages 121, 211 and 212, respectively, of this joint proxy statement/prospectus.

***Q: How do I vote?***

A: You may vote in person at the Anthem special meeting or the Cigna special meeting or you may designate another person your proxy to vote your shares of Anthem common stock or Cigna common stock. The written document used to designate someone as your proxy also is called a proxy or proxy card. We urge you to submit a proxy card to have your shares voted even if you plan to attend the Anthem special meeting or the Cigna special meeting. You can always change your vote at the applicable special meeting.

If you are an Anthem shareholder of record for the Anthem special meeting or a Cigna shareholder of record for the Cigna special meeting, then you can have your shares voted at the applicable special meeting in person or by submitting a proxy over the Internet, by mail or by telephone by following the instructions on your proxy card. The deadline for voting by proxy over the Internet or by telephone for the Anthem special meeting is 11:59 p.m., Eastern Time, on December 2, 2015, and for the Cigna special meeting is 11:59 p.m., Eastern Time, on December 2, 2015.

If your shares are held by a broker, bank or other nominee (commonly referred to as shares held in street name ), you will receive separate instructions from your broker, bank or other nominee describing how to vote your shares. Those instructions will identify which methods of voting are available to you in order to have your shares voted.

***Q: How do I vote shares held in the Anthem 401(k) Retirement Savings Plan?***

**A:** If you participate in the Anthem 401(k) Retirement Savings Plan, referred to as the Anthem 401(k) Plan in this joint proxy statement/prospectus, and you are invested in Anthem's common stock fund in your

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account, you may give voting instructions to the plan trustee as to the number of shares of Anthem common stock equivalent to the interest in the Anthem common stock fund credited to your account as of the most recent valuation date coincident with or preceding the Anthem record date. The trustee will vote your shares in accordance with your instructions received by December 1, 2015, at 11:59 p.m., Eastern Time. You may also revoke previously given voting instructions by December 1, 2015, at 11:59 p.m., Eastern 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.

***Q: How do I vote if my shares of Cigna common stock are held by Fidelity in an employee stock account?***

A: Employee stock accounts maintained by Fidelity include unvested restricted stock which is votable if held on the record date. You should follow the rules for voting shares held as a record holder. See the section entitled *Cigna Special Meeting Voting of Cigna Shares Owned as a Record Holder* beginning on page 89 of this joint proxy statement/prospectus for voting shares as a Cigna shareholder of record.

***Q: How do I vote shares held in the Cigna Stock Fund of the Cigna 401(k) Plan?***

A: If you have money invested in the Cigna Stock Fund of the Cigna 401(k) Plan, referred to as the Cigna 401(k) Plan in this joint proxy statement/prospectus, you may provide voting instructions as to the number of shares allocated to your account as of the close of business on the Cigna record date. However, you have an earlier deadline for submitting voting instructions. Your voting instructions must be received by 11:59 p.m., Eastern Time, on November 29, 2015. You may vote over the Internet, by telephone or by mail as described under the section entitled *Cigna Special Meeting Voting of Cigna Shares Owned as a Record Holder* beginning on page 89 of this joint proxy statement/prospectus, but you may not vote shares allocated to your Cigna 401(k) Plan accounts in person at the Cigna special meeting. The plan trustees will vote such shares in accordance with your voting instructions if they are received in a timely manner. If you do not send instructions by the November 29, 2015 deadline, you do not vote or you return your proxy card with unclear voting instructions or no voting instructions, the plan trustees will vote the number of shares allocated to your Cigna 401(k) Plan account as instructed by Cigna's Retirement Plan Committee, or its designee. Your voting instructions will be kept confidential under the terms of the plan.

Shares allocated to your 401(k) account, shares held in an employee stock account with Fidelity and shares held at Computershare may be aggregated on one proxy card. Please note that if voting instructions are submitted after 11:59 p.m., Eastern Time on November 29, 2015, your vote will be counted for any shares held at Computershare or in your employee stock accounts at Fidelity, but not with respect to shares allocated to your 401(k) account.

***Q: What is a broker non-vote ?***

A:

A broker non-vote occurs on an item when a broker, bank or other nominee is not permitted to vote without instructions from the beneficial owner of the shares and the beneficial owner fails to provide the broker, bank or other nominee such instructions.

***Q: What Anthem shareholder vote is required for the approval of the share issuance at the Anthem special meeting and to approve any adjournment of the Anthem special meeting, and what happens if I abstain?***

A: To approve the share issuance, the votes cast **FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. **Anthem cannot complete the merger unless its shareholders approve the share issuance.** Because this proposal requires the affirmative vote of a majority

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of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote to approve the share issuance. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to approve the share issuance.

To approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting, the votes cast

**FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. Because this proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote on the proposal to adjourn the Anthem special meeting. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to adjourn the Anthem special meeting.

***Q: What Cigna shareholder vote is required for the adoption of the merger agreement, the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting, and what happens if I abstain?***

**A:** Adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of all outstanding shares of Cigna common stock entitled to vote on such proposal. **Cigna cannot complete the merger unless its shareholders adopt the merger agreement.** Because adoption requires the affirmative vote, in person or by proxy, of the holders of a majority of all outstanding shares of Cigna common stock entitled to vote on such proposal, **a Cigna shareholder's abstention from voting, the failure of a Cigna shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Cigna shareholder's other failure to vote will have the same effect as a vote AGAINST the adoption of the merger agreement.**

Approval, on a non-binding advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger requires the affirmative vote, in person or by proxy, of holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal. Because approval of this proposal requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares present in person or represented by proxy and entitled to vote, an abstention will have the same effect as a vote **AGAINST** the compensation proposal. A broker non-vote or other failure to vote will have no effect on the outcome of any vote to approve the compensation proposal.

Approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting, requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal. Because approval of this proposal requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares present in person or represented by proxy and entitled to vote, an abstention will have the same effect as a vote **AGAINST** the proposal to adjourn the Cigna special meeting. A broker non-vote or other failure to vote will have no effect on the outcome of any vote to adjourn the Cigna special meeting.

***Q: What constitutes a quorum for the Anthem special meeting?***

A: In order for business to be conducted at the Anthem special meeting, 25% of the votes entitled to be cast on a matter, represented in person or by proxy, must be present. Abstentions are included in determining whether a quorum is present. If your shares are held in street name and you provide your broker, bank or other nominee with voting instructions, then your shares will be included in determining whether a quorum

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is present. If your shares are held in street name and you do not provide your broker, bank or other nominee with voting instructions, then your shares will not be included in determining whether a quorum is present.

***Q: What constitutes a quorum for the Cigna special meeting?***

A: The holders of at least two-fifths of the issued and outstanding Cigna shares entitled to vote at the Cigna special meeting, present in person or represented by proxy at the Cigna special meeting, will constitute a quorum. Shares of Cigna common stock represented at the Cigna special meeting but not voted, including Cigna shares for which a shareholder directs an abstention from voting, will be counted as present for purposes of establishing a quorum. Broker non-votes (Cigna shares held by banks, brokers or other nominees commonly referred to as shares held in street name that are present in person or represented by proxy at the Cigna special meeting but with respect to which the broker or other shareholder of record is not instructed by the beneficial owner of such shares how to vote on a particular proposal and the broker or other shareholder of record does not have discretionary voting power on such proposal), if any, will not be counted as present for purposes of establishing a quorum.

***Q: If my shares are held in street name, will my broker, bank or other nominee automatically vote my shares for me?***

A: No. If your shares of Anthem common stock or Cigna common stock are held in street name, you must instruct your broker, bank or other nominee how to vote your shares. Your broker, bank or other nominee will vote your shares only if you provide instructions on how to vote by filling out the voting instruction form sent to you by your broker, bank or other nominee with this joint proxy statement/prospectus.

***Q: What will happen if I return my proxy card without indicating how to vote?***

A: If you return your signed and dated proxy card without indicating how to vote your shares on any particular proposal, the shares of Anthem common stock or Cigna common stock, as applicable, represented by your proxy will be voted in accordance with the recommendation of the respective board of directors of Anthem or Cigna.

***Q: What if I hold shares in both Anthem and Cigna?***

A: If you are both an Anthem shareholder and a Cigna shareholder, you will receive separate packages of proxy materials from each company and you will need to vote your shares independently for both companies. A vote as an Anthem shareholder to approve the share issuance will not constitute a vote as a Cigna shareholder for the adoption of the merger agreement, or vice versa. **Therefore, please sign, date, mark and return all proxy cards and/or voting instructions that you receive from both Anthem and Cigna, or submit them over the Internet or by telephone.**

***Q: Is my vote important?***



A: Yes, your vote is very important. The merger cannot be completed without the approval of the share issuance by Anthem shareholders and the adoption of the merger agreement by Cigna shareholders. The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote **FOR** the share issuance, and the Cigna board of directors unanimously recommends that Cigna shareholders vote **FOR** the adoption of the merger agreement.

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***Q: If I am an Anthem shareholder, can I revoke my proxy or change my voting instructions?***

A: Yes, you may revoke your proxy at any time prior to the Anthem special meeting. If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. If you attend the Anthem special meeting and you are an Anthem 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 broker, bank or other nominee in order to vote in person.**

***Q: If I am a Cigna shareholder, can I revoke my proxy or change my voting instructions?***

A: Yes, you may revoke your proxy or change your vote at any time before your proxy is voted at the Cigna special meeting.

If you own Cigna shares as the record holder, you may change your vote in one of four ways:

by entering new instructions by telephone or Internet before 11:59 p.m., Eastern Time, on December 2, 2015;

by sending a new proxy card with a later date than the card submitted earlier (Cigna must receive your new proxy card before 9:00 a.m., Eastern Time, on December 3, 2015);

by sending to the corporate secretary of Cigna a letter containing the name in which your shares are registered, the date of the proxy you wish to revoke or change, your new voting instructions, if applicable, and your signature (Cigna must receive your new proxy card before 9:00 a.m., Eastern Time, on December 3, 2015); or

by voting in person at (or sending a personal representative with a valid proxy to) the Cigna special meeting, which automatically will cancel any proxy previously given.

If you hold Cigna shares in street name, you may change your vote in one of two ways:

by submitting new voting instructions in the manner provided by your bank, broker or nominee; or

by contacting your bank, broker or other nominee to request a proxy to vote in person at the Cigna special meeting.

Written notices of revocation and other communications about revoking Cigna proxies should be addressed to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16<sup>th</sup> Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550.

***Q: What happens if I transfer my shares of Anthem or Cigna common stock before the applicable special meeting?***

A: The Anthem record date and the Cigna record date are both earlier than the date of each of the special meetings and the date that the merger is expected to be completed. If you transfer your shares of Anthem common stock or Cigna common stock after the applicable record date but before the applicable special meeting, you will retain your right to vote at the applicable special meeting. However, if you are a Cigna shareholder, you will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares of Cigna common stock through the effective time of the merger.

***Q: What do I do if I receive more than one set of voting materials?***

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus, the proxy card or the voting instruction form. This can occur if you hold your shares in more than one brokerage account, if you hold shares directly as a holder of record and also in street name, or otherwise through another holder of record, and in certain other circumstances. In addition, if you

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are a holder of record of shares of both Anthem common stock and Cigna common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. If you receive more than one set of voting materials, please vote or return each set separately in order to ensure that all of your shares are voted.

***Q: How do I obtain the voting results from the special meetings?***

A: Preliminary voting results will be announced at the special meetings, and will be set forth in press releases that Anthem and Cigna intend to issue after each respective special meeting. The respective press releases will be available on the Anthem website at [www.antheminc.com](http://www.antheminc.com) and the Cigna website at [www.cigna.com](http://www.cigna.com). Final voting results for each of the Anthem special meeting and the Cigna special meeting are expected to be published in a Current Report on Form 8-K filed with the SEC within four business days after the respective special meetings. A copy of these Current Reports on Form 8-K will be available after filing with the SEC on the Anthem and Cigna websites, respectively.

***Q: What will happen if all of the proposals to be considered at the special meetings are not approved?***

A: As conditions to completion of the merger, Anthem shareholders must approve the share issuance and Cigna shareholders must adopt the merger agreement. Completion of the merger is not conditioned or dependent upon the approval of the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting, or the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger, or the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

***Q: Are Cigna shareholders entitled to seek appraisal rights if they do not vote in favor of the adoption of the merger agreement?***

A: Yes. If the merger agreement is adopted by Cigna shareholders, Cigna shareholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that holders of shares of Cigna common stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of their shares of Cigna common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest to be paid upon the amount determined to be fair value, if any, as determined by the court. Cigna shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process.

Cigna shareholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

To exercise your appraisal rights, (1) you must submit a written demand for appraisal to Cigna before the shareholder vote is taken on the proposal to adopt the merger agreement, (2) you must not submit a blank proxy or otherwise vote in favor of the proposal to adopt the merger agreement and (3) you must hold the shares of Cigna common stock of record when you submit your written demand for appraisal and continue to hold them through the effective time of the merger. Your failure to follow the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this joint proxy statement/prospectus, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as **Annex E** to this joint proxy statement/

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prospectus. If you hold your shares of Cigna common stock through a broker, bank or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such broker, bank or other nominee.

Under the IBCL, Anthem shareholders will not be entitled to appraisal or dissenters' rights in connection with the mergers or the share issuance.

***Q: Why are Cigna shareholders being asked to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger?***

A: The SEC has adopted rules that require Cigna to seek a non-binding, advisory vote on the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger.

***Q: What happens if the proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger is not approved?***

A: Approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger is not a condition to completion of the merger. The vote is a non-binding, advisory vote. If the merger is completed, Cigna may be obligated to pay all or a portion of this compensation to its named executive officers in connection with the completion of the merger or certain terminations of employment following the merger, even if Cigna shareholders fail to approve this proposal.

***Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Cigna common stock?***

A: The merger and the second merger, taken together, are intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to as the Code in this joint proxy statement/prospectus. Accordingly, for U.S. federal income tax purposes, a U.S. holder of Cigna common stock generally will recognize gain, but not loss, in an amount not to exceed the cash received in the merger and will recognize gain or loss with respect to any cash received in lieu of fractional shares of Anthem common stock. For a more complete summary of the material U.S. federal income tax consequences of the merger to U.S. holders of Cigna common stock, see the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement - Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 172 of this joint proxy statement/prospectus.

***Q: Is the obligation of each of Anthem and Cigna to complete the merger subject to any conditions?***

A: Yes. The obligation of each of Anthem and Cigna to complete the merger is subject to a number of closing conditions, including, among other things, (1) the adoption of the merger agreement by Cigna shareholders; (2) the approval of the share issuance by Anthem shareholders; (3) the expiration or termination of the applicable waiting period under the HSR Act; (4) the approval of the merger by various state regulatory authorities; (5) the absence of legal restraints that prohibit the completion of the mergers; (6) the approval for listing on the NYSE of the Anthem common stock to be issued in the share issuance; and (7) the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part filed by Anthem with the SEC being declared effective. The obligation of each party to complete the merger is also conditioned upon the other party's representations and warranties being true and correct (subject to certain materiality exceptions), the other party having performed in all material respects its obligations under the

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merger agreement and the other party not having suffered a material adverse effect, as defined in the merger agreement. For a more complete summary of the conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to completion of the merger, see the section entitled *The Merger Agreement Conditions to the Merger* beginning on page 202 of this joint proxy statement/prospectus.

***Q: When do you expect to complete the merger?***

A: As of the date of this joint proxy statement/prospectus, it is not possible to accurately estimate the closing date of the merger because the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the conditions to Anthem's and Cigna's obligations to complete the merger; however, Anthem and Cigna expect the merger to close in the second half of 2016. Due to the governmental approvals and other conditions to the merger, no assurance can be given as to when, or if, the merger will be completed. Though an outside date of January 31, 2017, has been set for the closing of the merger, this outside date can be extended by Anthem or Cigna, by written notice to the other party, to a date not later than April 30, 2017, if all conditions to the merger have been satisfied except for the receipt of regulatory approvals and other governmental consents.

***Q: What will happen to outstanding Cigna equity awards in the merger?***

A: Under the terms of the merger agreement:

each Cigna stock option that is unvested as of immediately prior to the effective time of the merger will be converted at the effective time of the merger into an option to purchase, on the same terms and conditions (including applicable vesting requirements), a number of shares of Anthem common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such unvested Cigna stock option by the equity award exchange ratio, with a per-share exercise price (rounded up to the nearest whole cent) determined by dividing the per-share exercise price of the Cigna stock option by the equity award exchange ratio;

each Cigna stock option that is vested as of immediately prior to the effective time of the merger will be cancelled at the effective time of the merger in exchange for a cash payment and a number of vested shares of Anthem common stock with an aggregate value equal to the excess, if any, of the value of the per-share merger consideration over the Cigna stock option's per share exercise price. The portions of the foregoing amount that are payable in cash and vested shares of Anthem common stock, respectively, will equal the portions of the per-share merger consideration that are payable in cash and vested shares of Anthem common stock to Cigna shareholders generally;

each Cigna restricted stock award granted prior to July 1, 2015 to an employee who Cigna designates as a career band 4 employee for this purpose will be cancelled at the effective time in exchange for the same cash and stock merger consideration received by Cigna shareholders generally, except that the stock portion of such consideration will remain subject to the same terms and conditions (including applicable vesting requirements) as were applicable to the Cigna restricted stock award prior to the effective time. Each other



Cigna restricted stock award will be converted at the effective time, on the same terms and conditions (including applicable vesting requirements), into a restricted stock award with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna restricted stock award by the equity award exchange ratio;

each Cigna restricted stock unit award and strategic performance share award will be converted at the effective time of the merger into a service-based restricted stock unit award, on the same terms and conditions (including applicable vesting schedule, but without continuing performance-based vesting conditions), with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to each Cigna restricted stock unit award or strategic performance share award by the equity award exchange

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ratio. For purposes of determining the number of shares of Cigna common stock subject to each Cigna strategic performance share award, the applicable performance goals will be deemed achieved at the greatest of target level, the level achieved for the most recently concluded strategic performance share award cycle ending prior to the effective time of the merger and the average of the levels achieved for the two most recently concluded strategic performance share award cycles ending prior to the effective time of the merger;

each Cigna deferred stock unit or similar award granted or deferred under any Cigna stock plan will be converted at the effective time of the merger into a deferred stock unit award, on the same terms and conditions, with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna deferred stock unit by the equity award exchange ratio; and

any converted Anthem stock options, restricted stock awards and restricted stock units described in this section will vest in full upon certain types of terminations of employment at or within two years following the effective time of the merger.

See the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Treatment of Cigna Equity Awards* beginning on page 176 of this joint proxy statement/prospectus.

***Q: What do I need to do now?***

A: After carefully reading and considering the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes, please submit your proxy as promptly as possible, so that your shares may be represented and voted at the applicable special meeting. To vote your shares of Anthem common stock or Cigna common stock, as applicable, do so by:

signing, dating, marking and returning the enclosed proxy card in the accompanying postage-paid return envelope;

submitting your proxy over the Internet or by telephone by following the instructions included on your proxy card; or

attending the applicable special meeting and voting by ballot in person.

If you hold shares in street name, please instruct your broker, bank or other nominee to vote your shares by following the instructions that your broker, bank or other nominee provides to you with these proxy materials. Your broker, bank or other nominee will vote your shares of Anthem common stock or Cigna common stock for you only if you provide instructions to it on how to vote. Please refer to the voting instruction card used by your broker, bank or other nominee to see if you may submit voting instructions by telephone or over the Internet.

***Q: Should I send in my Cigna stock certificates now?***

A: No. Cigna shareholders should not send in their stock certificates at this time. After completion of the merger, the exchange agent will send you a letter of transmittal and instructions for exchanging your shares of Cigna common stock for the merger consideration. The shares of Anthem common stock you receive in the merger will be issued in uncertificated book-entry form. See the section entitled *The Merger Agreement Exchange of Certificates* beginning on page 185 of this joint proxy statement/prospectus.

***Q: How will the merger be financed?***

A: Anthem currently intends to finance the cash consideration and related fees and expenses with available cash and the proceeds from any combination of (1) the issuance of senior unsecured notes, (2) the borrowings of senior unsecured term loans and/or (3) the issuance of common or preferred equity or equity-

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linked securities in lieu of any borrowings under the bridge facility (as defined in the section entitled *Summary Financing of the Merger* beginning on page 23 of this joint proxy statement/prospectus). To the extent that Anthem has not received proceeds from such senior unsecured notes, senior unsecured term loans and/or common or preferred equity or equity-linked securities at or prior to completion of the merger that are sufficient to finance the cash consideration and related fees and expenses, Anthem will finance a portion of the cash consideration and related fees and expenses with borrowings under the bridge facility. Anthem's ability to obtain financing in lieu of borrowings under the bridge facility will be subject to various factors, including market conditions and operating performance, and there is no guarantee that such financing will be available to Anthem at all or on acceptable terms.

***Q: Is the completion of the merger subject to a financing condition?***

A: No. The receipt of financing by Anthem or Merger Sub is not a condition to completion of the merger and, accordingly, Anthem will be required to complete the merger (assuming that all of the conditions to its obligations to complete the merger under the merger agreement are satisfied) whether or not debt financing or other financing is available at all or on acceptable terms.

***Q: Will the Anthem common stock issued to Cigna shareholders at the time of completion of the merger be traded on an exchange?***

A: Yes. It is a condition to the closing of the merger that the shares of Anthem common stock to be issued to Cigna shareholders in the merger be approved for listing on the NYSE, subject to official notice of issuance.

***Q: Will current Anthem shareholders be affected by the merger?***

A: Upon completion of the merger, each Anthem shareholder will hold the same number of shares of Anthem common stock that such shareholder held immediately prior to completion of the merger. As a result of the merger, Anthem shareholders will own shares in a larger company with more assets. However, because Anthem will be issuing shares of Anthem common stock to Cigna shareholders in exchange for their shares of Cigna common stock in connection with the merger, each outstanding share of Anthem common stock immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of Anthem common stock outstanding after the merger.

***Q: If I am an Anthem shareholder, whom should I call with questions?***

A: If you have any questions about the merger or the Anthem special meeting, or desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms, you should contact:  
MacKenzie Partners, Inc.

105 Madison Avenue

Edgar Filing: CIGNA CORP - Form DEFM14A

New York, New York 10016

Telephone (Toll-Free): (800) 322-2885

Telephone (Collect): (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

or

Anthem, Inc.

120 Monument Circle

Mail No. IN0102-B381

Indianapolis, Indiana 46204

Attention: Secretary

Telephone: (800) 985-0999

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***Q: If I am a Cigna shareholder, whom should I call with questions?***

A: If you have any questions about the merger or the Cigna special meeting, or desire additional copies of this joint proxy statement/prospectus, proxy cards or voting instruction forms, you should contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Shareholders May Call Toll-Free: (877) 456-3510

Banks & Brokers May Call Collect: (212) 750-5833

or

Cigna Corporation

Two Liberty Place, 5<sup>th</sup> Floor

1601 Chestnut Street

Philadelphia, Pennsylvania 19192-1550

Attention: Shareholder Services

Email: [shareholderservices@cigna.com](mailto:shareholderservices@cigna.com)

Telephone: (215) 761-3516

***Q: Where can I find more information about Anthem and Cigna?***

A: You can find more information about Anthem and Cigna from the various sources described under the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus.

**Table of Contents****SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read this entire joint proxy statement/prospectus and the other documents referred to or incorporated by reference into this joint proxy statement/prospectus in order to fully understand the merger, the merger agreement and the other related transactions and agreements. See the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus. Each item in this summary refers to the beginning page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

**The Companies (See page 78)*****Anthem, Inc.***

Anthem, Inc. is one of the largest health benefits companies in terms of medical membership in the United States, serving 38.5 million medical members through its affiliated health plans as of June 30, 2015. Anthem is an independent licensee of the Blue Cross and Blue Shield Association, referred to as the BCBSA in this joint proxy statement/prospectus, an association of independent health benefit plans. Anthem serves its members as the Blue Cross licensee for California and as the Blue Cross and Blue Shield, referred to as the BCBS in this joint proxy statement/prospectus, licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as BCBS in 10 New York City metropolitan and surrounding counties, and as Blue Cross or BCBS in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. In a majority of these service areas Anthem does business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, and Empire Blue Cross Blue Shield, or Empire Blue Cross (in its New York service areas). Anthem also conducts business through arrangements with other BCBS licensees in the states of South Carolina and Texas. Anthem conducts business through its AMERIGROUP Corporation, or Amerigroup, subsidiary, in Florida, Georgia, Kansas, Louisiana, Maryland, Nevada, New Jersey, New Mexico, New York, Tennessee, Texas and Washington. Anthem conducts business through its recently acquired Simply Healthcare Holdings, Inc. subsidiary in the state of Florida. Anthem also serves customers throughout the country as HealthLink, UniCare (including a non-risk arrangement with the state of Massachusetts), and in certain Arizona, California, Nevada, New York and Virginia markets through its CareMore Health Group, Inc., or CareMore, subsidiary. Anthem is licensed to conduct insurance operations in all 50 states through its subsidiaries.

Anthem's common stock is listed on the NYSE under the symbol ANTM.

The principal executive offices of Anthem are located at 120 Monument Circle, Indianapolis, Indiana 46204 and its telephone number is (317) 488-6000.

***Cigna Corporation***

Cigna, together with its subsidiaries, is a global health services organization dedicated to a mission of helping individuals improve their health, well-being and sense of security. To execute on its mission, Cigna's strategy is to *Go Deep*, *Go Global* and *Go Individual* with a differentiated set of medical, dental, disability, life and accident insurance and related products and services offered by its subsidiaries. They:

GO DEEP by targeting key segments and geographies;

GO GLOBAL with solutions that leverage its capabilities in a borderless environment; and

GO INDIVIDUAL to better understand and satisfy the holistic needs of each person they serve.



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In an increasingly retail oriented marketplace, Cigna delivers affordable and personalized products and services to customers through employer-based, government-sponsored and individual coverage arrangements. Cigna increasingly collaborates with health care providers to transition from volume-based fee for service arrangements toward a more value-based system designed to increase quality of care, lower costs and improve health outcomes. Cigna operates a customer-centric organization enabled by keen insights regarding customer needs, localized decision-making and talented professionals committed to bringing Cigna's Together All the Way brand promise to life.

Cigna's common stock is listed on the NYSE under the symbol *CI*.

The principal executive offices of Cigna are located at 900 Cottage Grove Road, Bloomfield, Connecticut 06002 and its telephone number is (860) 226-6000.

### ***Anthem Merger Sub Corp.***

Anthem Merger Sub Corp. is a Delaware corporation and a direct wholly owned subsidiary of Anthem. Merger Sub was formed exclusively for the purpose of completing the merger. At the effective time of the merger, Merger Sub will be merged with and into Cigna, with Cigna as the initial surviving corporation. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

The principal executive offices of Merger Sub are located at 120 Monument Circle, Indianapolis, Indiana 46204 and its telephone number is (317) 488-6000.

### **The Mergers and the Merger Agreement (See page 180)**

The merger agreement provides that, upon the terms and subject to the conditions in the merger agreement, and in accordance with the DGCL, at the effective time of the merger, Merger Sub will merge with and into Cigna. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Cigna will continue as the initial surviving corporation in the merger and a wholly owned subsidiary of Anthem. Immediately following the completion of the merger, the merger agreement provides that, upon the terms and subject to the conditions in the merger agreement, and in accordance with the DGCL and the IBCL, if certain tax opinions are delivered by the outside counsel of Anthem and Cigna to each of Anthem and Cigna prior to the effective time of the merger to the effect that the merger and the second merger, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code, the initial surviving corporation will merge with and into Anthem (see the section entitled *The Merger Agreement Second Merger Agreement* beginning on page 209 of this joint proxy statement/prospectus for a description of the second merger agreement). As a result of the second merger, the separate corporate existence of the initial surviving corporation will cease, and Anthem will continue as the surviving corporation. The mergers will not be completed without the approval of the share issuance by Anthem shareholders and the adoption of the merger agreement by Cigna shareholders.

A copy of the merger agreement is attached as **Annex A** to this joint proxy statement/prospectus. **You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger.** For more information on the merger and the merger agreement, see the sections entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of The Merger Agreement* and *The Merger Agreement* beginning on pages 94 and 180, respectively, of this joint proxy statement/prospectus.

As of the date of this joint proxy statement/prospectus, it is not possible to accurately estimate the closing date of the merger because the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the

conditions to Anthem's and Cigna's obligations to complete the merger; however, Anthem and Cigna expect the merger to close in the second half of 2016. Due to the governmental consents and other conditions to the merger, no assurance can be given as to when, or if, the merger will be completed. Though an

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outside date of January 31, 2017, has been set for the closing of the merger, this outside date may be extended by Anthem or Cigna to a date not later than April 30, 2017, if, on January 31, 2017, the only conditions under the merger agreement that have not been satisfied relate to an injunction or restraint that prevents or prohibits completion of the mergers, a governmental entity having instituted an action or proceeding seeking to enjoin, restrain or prohibit completion of the mergers or the receipt of all necessary government consents; provided that such restraint, action or proceeding relates to antitrust laws, healthcare or insurance laws or licenses or rules of the BCBSA.

**What Cigna Shareholders Will Receive in the Merger (See page 181)**

If the merger is completed, each share of Cigna common stock (other than (1) Cigna treasury shares, (2) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares of Cigna common stock that are owned by Cigna shareholders who have not voted in favor of the merger and who have properly demanded in writing appraisal for such shares pursuant to Section 262 of the DGCL and (4) shares of Cigna common stock subject to Cigna restricted stock awards) will be automatically converted into the right to receive (x) \$103.40 in cash, without interest, and (y) 0.5152 shares of Anthem common stock. No fractional shares of Anthem common stock will be issued in the merger, and Cigna shareholders will receive cash in lieu of any fractional shares.

**Anthem Special Meeting (See page 80)**

***General***

The Anthem special meeting will be held at 8:00 a.m., Eastern Time, on Thursday, December 3, 2015, at the Conrad Hotel at 50 West Washington Street, Indianapolis, Indiana 46204. At the Anthem special meeting, Anthem shareholders will vote on:

the approval of the share issuance; and

the approval of the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

The approval of the share issuance by Anthem shareholders is a condition to the obligations of Anthem and Cigna to complete the merger.

***Record Date***

The Anthem board of directors has fixed the close of business on October 22, 2015, as the Anthem record date, for determination of the Anthem shareholders entitled to vote at the Anthem special meeting and any adjournment or postponement thereof. Only Anthem shareholders of record as of the close of business on the Anthem record date are entitled to receive notice of, and to vote at, the Anthem special meeting or any adjournment or postponement thereof.

As of the close of business on the Anthem record date, there were 260,983,596 shares of Anthem common stock outstanding and entitled to vote at the Anthem special meeting. Each outstanding share of Anthem common stock is entitled to one vote.

*Quorum*

In order for business to be conducted at the Anthem special meeting, 25% of the votes entitled to be cast on a matter, represented in person or by proxy, must be present. Abstentions are included in determining whether a

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quorum is present. If your shares are held in street name and you provide your broker, bank or other nominee with voting instructions, then your shares will be included in determining whether a quorum is present. If your shares are held in street name and you do not provide your broker, bank or other nominee with voting instructions, then your shares will not be included in determining whether a quorum is present.

***Required Vote***

To approve the share issuance, the votes cast **FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. **Anthem cannot complete the merger unless its shareholders approve the share issuance.** Because this proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote to approve the share issuance. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to approve the share issuance.

To approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting, the votes cast **FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. Because this proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote on the proposal to adjourn the Anthem special meeting. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to adjourn the Anthem special meeting.

***Share Ownership of and Voting by Anthem Directors and Executive Officers***

As of the close of business on the Anthem record date, Anthem's directors and executive officers and their affiliates beneficially owned and were entitled to vote shares representing less than 1% of the shares of Anthem common stock entitled to vote at the Anthem special meeting. It is expected that Anthem's directors and executive officers and their affiliates will vote their shares **FOR** the share issuance and **FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

**Cigna Special Meeting (See page 86)*****General***

The Cigna special meeting will be held at 9:00 a.m., Eastern Time (8:00 a.m. Central Time), on Thursday, December 3, 2015, at the Hyatt Regency O'Hare at 9300 Bryn Mawr Avenue, Rosemont, Illinois 60018. At the Cigna special meeting, Cigna shareholders will vote on:

the adoption of the merger agreement;

the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger; and

the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

The adoption of the merger agreement by Cigna shareholders is a condition to the obligations of Anthem and Cigna to complete the merger.

***Record Date***

The Cigna board of directors has fixed the close of business on October 22, 2015, as the Cigna record date, for determination of the Cigna shareholders entitled to vote at the Cigna special meeting or any adjournment or

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postponement thereof. Only Cigna shareholders of record as of the close of business on the Cigna record date are entitled to receive notice of, and to vote at, the Cigna special meeting or any adjournment or postponement thereof.

As of the close of business on the Cigna record date, there were 257,627,908 shares of Cigna common stock outstanding and entitled to vote at the Cigna special meeting. Each outstanding share of Cigna common stock is entitled to one vote.

### *Quorum*

The holders of at least two-fifths of the issued and outstanding Cigna shares entitled to vote at the Cigna special meeting, present in person or represented by proxy at the Cigna special meeting, will constitute a quorum. Shares of Cigna common stock represented at the Cigna special meeting but not voted, including Cigna shares for which a shareholder directs an abstention from voting, will be counted as present for purposes of establishing a quorum. Broker non-votes (Cigna shares held by banks, brokers or other nominees commonly referred to as shares held in street name that are present in person or represented by proxy at the Cigna special meeting but with respect to which the broker or other shareholder of record is not instructed by the beneficial owner of such shares how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal), if any, will not be counted as present for purposes of establishing a quorum.

### *Required Vote*

Adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of all outstanding shares of Cigna common stock entitled to vote on such proposal is required. **Cigna cannot complete the merger unless its shareholders adopt the merger agreement.** Because adoption requires the affirmative vote, in person or by proxy, of the holders of a majority of all outstanding shares of Cigna common stock entitled to vote on such proposal, **a Cigna shareholder's abstention from voting, the failure of a Cigna shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Cigna shareholder's other failure to vote will have the same effect as a vote AGAINST the adoption of the merger agreement.**

Approval, on a non-binding advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger requires the affirmative vote, in person or by proxy, of holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal. Because approval of this proposal requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares present in person or represented by proxy and entitled to vote, an abstention will have the same effect as a vote **AGAINST** the compensation proposal. A broker non-vote or other failure to vote will have no effect on the outcome of any vote to approve the compensation proposal.

Approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting, requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal. Because approval of this proposal requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares present in person or represented by proxy and entitled to vote, an abstention will have the same effect as a vote **AGAINST** the proposal to adjourn the Cigna special meeting. A broker non-vote or other failure to vote will have no effect on the outcome of any vote to adjourn the Cigna special meeting.





**Table of Contents*****Share Ownership of and Voting by Cigna Directors and Executive Officers***

As of the close of business on the Cigna record date, Cigna's directors and executive officers and their affiliates beneficially owned and were entitled to vote shares representing less than 1% of the shares of Cigna common stock entitled to vote at the Cigna special meeting.

It is expected that Cigna's directors and executive officers and their affiliates will vote their shares **FOR** the adoption of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and **FOR** the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

**Recommendation of the Anthem Board of Directors (See page 81)**

After consideration and consultation with its advisors, the Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement (1) determined that the share issuance is in the best interests of Anthem and Anthem shareholders, and (2) approved the merger agreement and the transactions contemplated by the merger agreement, including the mergers and the share issuance.

The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote **FOR** the share issuance and **FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. For the factors considered by the Anthem board of directors in reaching this decision, see the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Anthem's Reasons for the Merger; Recommendation of the Anthem Board of Directors* beginning on page 116 of this joint proxy statement/prospectus.

**Recommendations of the Cigna Board of Directors (See page 87)**

At a meeting on July 23, 2015, the Cigna board of directors unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna shareholders for their adoption, (4) recommended that Cigna shareholders vote **FOR** the adoption of the merger agreement and (5) further resolved that it recommend to the shareholders of Cigna that they approve a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the merger and the other transactions contemplated by the merger agreement pursuant to already existing contractual obligations of Cigna (as such obligations may be amended consistent with the terms of the merger agreement).

The Cigna board of directors unanimously recommends that Cigna shareholders vote **FOR** the adoption of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and **FOR** the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting. See the sections entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I:*

*Adoption of the Merger Agreement Cigna's Reasons for the Merger; Recommendation of the Cigna Board of Directors, Cigna Proposal II: Non-Binding, Advisory Vote on Compensation and Cigna Proposal III:*



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*Adjournment of Cigna Special Meeting* beginning on pages 121, 211 and 212, respectively, of this joint proxy statement/prospectus for a more detailed discussion of the recommendation.

**Opinions of Anthem's Financial Advisors (See page 126)**

***Opinion of UBS***

On July 23, 2015, at a meeting of the Anthem board of directors held to evaluate the merger agreement and the transactions contemplated thereby, UBS delivered to the Anthem board of directors an oral opinion, which opinion was subsequently confirmed by delivery of a written opinion, dated July 24, 2015, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its written opinion, the merger consideration was fair, from a financial point of view, to Anthem.

The full text of UBS's opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. The opinion is attached to this joint proxy statement/prospectus as **Annex B** and is incorporated into this joint proxy statement/prospectus by reference. **The summary of UBS's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of UBS's written opinion. Holders of Anthem common stock are encouraged to read UBS's opinion carefully in its entirety. UBS's opinion was provided for the benefit of the Anthem board of directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the merger consideration from a financial point of view, and does not address any other aspect of the mergers or any related transaction. UBS's opinion does not address the relative merits of the mergers as compared to other business strategies or transactions that might be available with respect to Anthem or Anthem's underlying business decision to effect the mergers or any related transaction. UBS's opinion does not constitute a recommendation to any Anthem shareholder as to how such shareholder should vote or act with respect to the share issuance or any related transaction.**

***Opinion of Credit Suisse***

On July 23, 2015, at a meeting of the Anthem board of directors held to evaluate the proposed merger, Credit Suisse delivered to the Anthem board of directors its oral opinion, confirmed by delivery of a written opinion, dated July 23, 2015, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in such opinion, the merger consideration was fair, from a financial point of view, to Anthem. The full text of Credit Suisse's written opinion is attached to this joint proxy statement/prospectus as **Annex C** and sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse's opinion was provided to the Anthem board of directors (in its capacity as such) for its information in connection with its evaluation of the merger consideration to be paid by Anthem and did not address any other aspect of the merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Anthem or the underlying business decision of Anthem to proceed with the merger. The opinion does not constitute advice or a recommendation to any Anthem shareholder as to how such shareholder should vote or act on any matter relating to the merger or otherwise.**

**Opinion of Cigna's Financial Advisor (See page 145)**

Morgan Stanley & Co. LLC, referred to as *Morgan Stanley*, was retained by the Cigna board of directors to act as its financial advisor in connection with the mergers. On July 23, 2015, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the Cigna board of directors to the effect that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations

on the scope of review undertaken by Morgan Stanley as set forth in its written

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opinion, the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement was fair from a financial point of view to such holders.

**The full text of Morgan Stanley's written opinion to the Cigna board of directors, dated July 23, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached to this joint proxy statement/prospectus as Annex D. The foregoing summary of Morgan Stanley's opinion is qualified in its entirety by reference to the full text of the opinion. You are encouraged to read Morgan Stanley's opinion, this section and the summary of Morgan Stanley's opinion below carefully and in their entirety. Morgan Stanley's opinion was for the benefit of the Cigna board of directors, in its capacity as such, and addressed only the fairness from a financial point of view of the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement as of the date of the opinion and did not address any other aspects or implications of the mergers. Morgan Stanley's opinion was not intended to, and does not, constitute advice or a recommendation as to how Cigna's shareholders should vote at any shareholders' meeting to be held in connection with the mergers or take any other action with respect to the mergers.**

**Financing of the Merger (See page 161)**

On July 23, 2015, Anthem entered into a commitment letter, referred to as the "initial commitment letter" in this joint proxy statement/prospectus, with Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse AG, Credit Suisse Securities (USA) LLC, UBS Securities LLC and UBS AG, Stamford Branch pursuant to which Bank of America, N.A., Credit Suisse AG and UBS AG, Stamford Branch, referred to as the "initial bridge lenders" in this joint proxy statement/prospectus, committed to provide up to \$26.5 billion in aggregate principal amount of loans under a 364-day senior unsecured bridge term loan credit facility, referred to as the "bridge facility" in this joint proxy statement/prospectus, to finance a portion of the cash consideration payable by Anthem in connection with the merger to the extent that Anthem had not received up to \$26.5 billion of proceeds from any combination of (1) the issuance of senior unsecured notes, (2) the borrowings of senior unsecured term loans and/or (3) the issuance of common or preferred equity or equity-linked securities at or prior to completion of the merger. On August 25, 2015, Anthem entered into a term loan agreement, referred to as the "term loan agreement" in this joint proxy statement/prospectus, with Bank of America, N.A., as administrative agent, and the lenders party thereto, referred to as the "term lenders" in this joint proxy statement/prospectus, pursuant to which the term lenders committed to provide up to \$4.0 billion in aggregate principal amount of term loans under the term loan agreement, referred to as the "term loan facility" in this joint proxy statement/prospectus, to finance a portion of the cash consideration payable by Anthem in connection with the merger. Pursuant to the terms of the initial commitment letter, the commitments under the term loan facility automatically correspondingly reduced the commitments of the initial bridge lenders under the initial commitment letter. Additionally, on August 25, 2015, Anthem and the initial bridge lenders entered into a joinder agreement to the initial commitment letter, the initial commitment letter, as supplemented by such joinder agreement, referred to as the "commitment letter" in this joint proxy statement/prospectus, with a syndicate of additional financial institutions, referred to, together with the initial bridge lenders, as the "bridge lenders" in this joint proxy statement/prospectus, pursuant to which the bridge lenders have committed to provide the remaining \$22.5 billion in aggregate principal amount of loans under the bridge facility. The bridge lenders' commitment to provide the bridge facility is subject to customary conditions as set forth in the commitment letter, including, among others, the

completion of the merger, non-occurrence of a material

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adverse effect (as defined in the commitment letter) with respect to Cigna, the negotiation, execution and delivery of the credit documentation with respect to the bridge facility, the accuracy of certain representations by Anthem, the accuracy of certain representations made by Cigna in the merger agreement, delivery of certain financial statements of Anthem and Cigna and delivery of certain pro forma financial information of Anthem. For a more complete description of Anthem's financing for the merger, see the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Financing of the Merger* beginning on page 161 of this joint proxy statement/prospectus.

### **Interests of Certain Cigna Directors and Executive Officers in the Merger (See page 164)**

Certain Cigna directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of the Cigna shareholders generally. The Cigna board of directors was aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and the merger and in recommending that the Cigna shareholders adopt the merger agreement.

### **Board of Directors and Certain Officers of Anthem Following the Merger (See page 169)**

Pursuant to the merger agreement, as of the effective time of the merger, the Anthem board of directors will be increased so it consists of 14 members comprised of the nine current members of the Anthem board of directors and five current members of the Cigna board of directors designated by Cigna, one of which will be the current President and Chief Executive Officer of Cigna, David Cordani, and four of which must be independent under the rules of the NYSE and the SEC with respect to Anthem. Joseph Swedish will be the chairman of the Anthem board of directors and any executive committee of the Anthem board of directors as of the effective time of the merger.

As of the effective time of the merger, Joseph Swedish will be the Chief Executive Officer of Anthem and David Cordani will be the President and Chief Operating Officer of Anthem.

### **Regulatory Approvals Required for the Merger (See page 170)**

Completion of the merger is conditioned upon expiration or termination of the waiting period (and any extension thereof) applicable to the merger under the HSR Act and certain specified necessary consents having been made or obtained and being in full force and effect, without the imposition of any burdensome terms or conditions as defined in the merger agreement and further described in this joint proxy statement/prospectus.

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the FTC and the Antitrust Division of the DOJ. Anthem and Cigna each filed its required HSR Act notification and report with respect to the merger on August 27, 2015. On September 28, 2015, the parties received a request for additional information and documentary material (referred to as a second request in this joint proxy statement/prospectus) from the DOJ regarding the merger. The effect of the second request was to extend the waiting period imposed by the HSR Act until 30 days after each party has substantially complied with the second request, unless that period is terminated sooner by the DOJ. The parties are working to promptly respond to the second request and continue to work cooperatively with the DOJ in connection with this review.

Pursuant to the insurance, healthcare and pharmacy laws and regulations of certain states, the federal government and certain non-U.S. jurisdictions, and pursuant to certain licenses and contracts of Cigna and certain of its subsidiaries, applicable regulatory authorities must approve, or be notified of, Anthem's acquisition of control of Cigna's health maintenance organizations, insurance companies and other regulated entities. To obtain





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these approvals and provide such notices, Anthem, or the applicable Anthem subsidiary, and in some instances Cigna, or the applicable Cigna regulated entity, as the case may be, has filed or will file acquisition of control and material modification or similar statements, notices or applications, as required by the insurance, healthcare and pharmacy laws and regulations of each applicable jurisdiction or the Cigna regulated entities' licenses and contracts.

Neither Anthem nor Cigna is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above.

Anthem and Cigna have agreed to use their reasonable best efforts to take, or cause to be taken, all actions, to do, or cause to be done, all things reasonably necessary to satisfy the conditions to closing the merger as set forth in the merger agreement and to consummate the mergers and the other transactions contemplated by the merger agreement, which reasonable best efforts include Anthem and its affiliates and Cigna and its affiliates taking any and all action necessary to avoid each and every impediment under the HSR Act, any healthcare law, antitrust law, insurance law or other applicable law that may be asserted by or on behalf of any governmental entity with respect to the merger agreement, the mergers and the other transactions contemplated by the merger agreement or that arise under or relate to any contracts between either Cigna or Anthem and any governmental entity, so as to enable the closing of the merger to occur as promptly as practicable so long as these actions do not have, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the mergers.

### **Material U.S. Federal Income Tax Consequences of the Merger (See page 172)**

The merger and the second merger, taken together, are intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, for U.S. federal income tax purposes, a U.S. holder of Cigna common stock generally will recognize gain, but not loss, in an amount not to exceed the cash received in the merger and will recognize gain or loss with respect to any cash received in lieu of fractional shares of Anthem common stock.

### **Accounting Treatment (See page 176)**

The merger will be accounted for using the acquisition method of accounting with Anthem considered the acquirer of Cigna. Anthem will record assets acquired, including identifiable intangible assets, and liabilities assumed from Cigna at their respective fair values at the date of completion of the merger. Any excess of the purchase price over the net fair value of such assets and liabilities will be recorded as goodwill.

### **Treatment of Cigna Equity Awards (See page 176)**

Under the terms of the merger agreement:

each Cigna stock option that is unvested as of immediately prior to the effective time of the merger will be converted at the effective time of the merger into an option to purchase, on the same terms and conditions (including applicable vesting requirements), a number of shares of Anthem common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such unvested Cigna stock option by the equity award exchange ratio, with a per-share exercise price (rounded up to the nearest whole cent) determined by dividing the per-share exercise price of the Cigna stock option by the equity award exchange ratio;

each Cigna stock option that is vested as of immediately prior to the effective time of the merger will be cancelled at the effective time of the merger in exchange for a cash payment and a number of vested shares of Anthem common stock with an aggregate value equal to the excess, if any, of the value of the

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per-share merger consideration over the Cigna stock option's per share exercise price. The portions of the foregoing amount that are payable in cash and vested shares of Anthem common stock, respectively, will equal the portions of the per-share merger consideration that are payable in cash and vested shares of Anthem common stock to Cigna shareholders generally;

each Cigna restricted stock award granted prior to July 1, 2015 to an employee who Cigna designates as a career band 4 employee for this purpose will be cancelled at the effective time in exchange for the same cash and stock merger consideration received by Cigna shareholders generally, except that the stock portion of such consideration will remain subject to the same terms and conditions (including applicable vesting requirements) as were applicable to the Cigna restricted stock award prior to the effective time. Each other Cigna restricted stock award will be converted at the effective time, on the same terms and conditions (including applicable vesting requirements), into a restricted stock award with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna restricted stock award by the equity award exchange ratio;

each Cigna restricted stock unit award and strategic performance share award will be converted at the effective time of the merger into a service-based restricted stock unit award, on the same terms and conditions (including applicable vesting schedule, but without continuing performance-based vesting conditions), with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to each Cigna restricted stock unit award or strategic performance share award by the equity award exchange ratio. For purposes of determining the number of shares of Cigna common stock subject to each Cigna strategic performance share award, the applicable performance goals will be deemed achieved at the greatest of target level, the level achieved for the most recently concluded strategic performance share award cycle ending prior to the effective time of the merger and the average of the levels achieved for the two most recently concluded strategic performance share award cycles ending prior to the effective time of the merger;

each Cigna deferred stock unit or similar award granted or deferred under any Cigna stock plan will be converted at the effective time of the merger into a deferred stock unit award, on the same terms and conditions, with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna deferred stock unit by the equity award exchange ratio; and

any converted Anthem stock options, restricted stock awards and restricted stock units described in this section will vest in full upon certain types of terminations of employment at or within two years following the effective time of the merger.

**Listing of Shares of Anthem Common Stock and Delisting and Deregistration of Cigna Common Stock (See page 178)**

Under the terms of the merger agreement, Anthem is required to use its reasonable best efforts to cause the shares of Anthem common stock to be issued in the share issuance to be approved for listing on the NYSE, subject to official notice of issuance, prior to the closing of the merger. It is a condition to both parties' obligations to complete the merger that such approval is obtained, subject to official notice of issuance. Accordingly, application will be made to

have the shares of Anthem common stock to be issued in the share issuance approved for listing on the NYSE, where shares of Anthem common stock are currently traded.

If the merger is completed, there will no longer be any publicly held shares of Cigna common stock. Accordingly, Cigna common stock will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

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**Litigation Relating to the Merger (See page 179)**

Following announcement of the merger, six putative class action complaints, which we collectively refer to as the complaints in this joint proxy statement/prospectus, were filed by purported Cigna shareholders on behalf of a purported class of Cigna shareholders. Five of the complaints, *Leach v. Cigna Corp., et al.*, Civil Action No. 11354-CB, *Copelli v. Cordani, et al.*, Civil Action No. 11373-CB, *Patel v. Cigna Corp., et al.*, Civil Action No. 11377-CB, *Messenger v. Cigna Corp., et al.*, Civil Action No. 11383-CB and *Litwin v. Cigna Corp., et al.*, Civil Action No. 11396-CB were filed in the Court of Chancery of the State of Delaware. The sixth complaint, *Solak v. Cordani, et al.*, Civil Action No. HHD-CV-15-6061337-S, was filed in the Connecticut Superior Court, Judicial District of Hartford.

The complaints name as defendants various combinations of Cigna, members of the Cigna board of directors, Anthem and Merger Sub. The complaints generally assert that the members of the Cigna board of directors breached their fiduciary duties to the Cigna shareholders during merger negotiations and by entering into the merger agreement and approving the merger, and that Cigna, Anthem and Merger Sub aided and abetted such breaches of fiduciary duties. The complaints further allege that, among other things, (1) the merger consideration undervalues Cigna, (2) the sales process leading up to the merger was flawed due to purported conflicts of interest of members of the Cigna board of directors and (3) certain provisions of the merger agreement inappropriately favor Anthem and inhibit competing bids. The complaints seek, among other things, (1) injunctive relief enjoining the merger, (2) rescission of the merger agreement to the extent already implemented and (3) costs and damages.

The defendants believe that the claims asserted against them in the complaints are without merit and intend to defend the litigation vigorously. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

**No Solicitation of Alternative Transactions (See page 194)**

Subject to the exceptions described below, each of Anthem and Cigna has agreed that, during the term of the merger agreement, it will not, and it will cause its subsidiaries and its and their respective directors, officers, employees, agents and representatives not to, directly or indirectly:

solicit, initiate, knowingly encourage or knowingly facilitate, or furnish or disclose non-public information in furtherance of, any inquiries that would reasonably be expected to lead to, or the making of any proposal or offer to implement, any alternative transaction, as such term is defined under the section entitled *The Merger Agreement No Solicitation of Alternative Transactions* beginning on page 194 of this joint proxy statement/prospectus;

negotiate or otherwise engage in discussions with any person (other than each other) with respect to any alternative transaction;

approve, recommend or authorize any alternative transaction; or

enter into any agreement, arrangement or understanding with respect to any alternative transaction or requiring it to abandon, terminate or fail to consummate the mergers or any other transactions contemplated by the merger agreement.

However, at any time prior to, in the case of Anthem, the approval of the share issuance by the Anthem shareholders, or, in the case of Cigna, the adoption of the merger agreement by the Cigna shareholders, Anthem or Cigna, as applicable, may furnish information to, and negotiate or otherwise engage in discussions with, any party who delivers a bona fide written proposal for an alternative transaction that was not solicited after the date of the merger agreement, if and so long as the Anthem board of directors or the Cigna board of directors, as applicable, determines in good faith after consultation with its outside legal counsel that providing such

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information or engaging in such negotiations or discussions is reasonably likely to be required in order for the directors to comply with their fiduciary duties under Indiana law or Delaware law, as applicable, and determines in good faith that such proposal is, or would reasonably be expected to lead to, a superior proposal, as such term is defined under the section entitled *The Merger Agreement No Solicitation of Alternative Transactions* beginning on page 194 of this joint proxy statement/prospectus.

**Completion of the Merger is Subject to Certain Conditions (See page 202)**

The respective obligations of Anthem, Merger Sub and Cigna to effect the merger are subject to the satisfaction or waiver (if permissible under applicable law) on or prior to the closing date of the merger of the following conditions:

no governmental entity or federal or state court of competent jurisdiction having enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that is in effect and that prevents or prohibits the completion of the mergers and no governmental entity having instituted any action or proceeding (which remains pending at what would otherwise be the closing date of the merger) before any United States court or other governmental entity of competent jurisdiction seeking to enjoin, restrain or otherwise prohibit the completion of the mergers;

the waiting period (and any extension thereof) applicable to the merger under the HSR Act having been terminated or expired, certain specified necessary consents having been obtained and are in full force and effect, no burdensome term or condition (as defined in *Efforts to Complete the Merger* on page 198 of this joint proxy statement/prospectus) having been imposed or required as a condition to the receipt of any of the necessary consents and none of the necessary consents containing any burdensome term or condition;

the shares of Anthem common stock to be issued in the merger having been approved for listing on the NYSE, subject to official notice of issuance;

the registration statement of which this joint proxy statement/prospectus forms a part having been declared effective by the SEC and no stop order suspending the effectiveness of the registration statement having been issued by the SEC and no proceedings for that purpose having been initiated or threatened by the SEC;

the Cigna shareholders having adopted the merger agreement; and

the Anthem shareholders having approved the share issuance.

The obligations of Anthem and Merger Sub to effect the merger are subject to the satisfaction or waiver (if permissible under applicable law) by Anthem on or prior to the closing date of the merger of the following additional conditions:

the representations and warranties of Cigna relating to capital structure, authority, no conflicts with respect to the organizational documents of Cigna and its material subsidiaries, board approval and vote required being true and correct in all material respects as of the date of the merger agreement and as of the closing date of the merger as though made on and as of the closing date of the merger (except to the extent such representations or warranties speak of another date, in which case, as of such date);

the representations and warranties of Cigna relating to absence of certain changes being true and correct as of the date of the merger agreement;

all other representations and warranties of Cigna set forth in the merger agreement (in each case, except for representations and warranties with respect to material contracts, read without any materiality, material or material adverse effect qualifications) being true and correct as of the date of



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the merger agreement and as of the closing date of the merger as though made on and as of the closing date of the merger (except to the extent such representations or warranties speak of another date, in which case, as of such date), other than such failures to be true and correct that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Cigna;

Cigna having performed or complied in all material respects with all agreements and covenants required to be performed by it under the merger agreement at or prior to closing date of the merger;

no material adverse effect (as defined in *Material Adverse Effect* on page 188 of this joint proxy statement/prospectus) on Cigna having occurred at any time on or after the date of the merger agreement; and

the receipt of a certificate of the chief executive officer and the chief financial officer of Cigna certifying that the five preceding conditions have been satisfied.

The obligations of Cigna to effect the merger are subject to the satisfaction or waiver (if permissible under applicable law) by Cigna on or prior to the closing date of the merger of the following additional conditions:

the representations and warranties of Anthem relating to capital structure, authority, no conflicts with respect to the organizational documents of Anthem and its material subsidiaries, board approval and vote required, and the representations of Anthem and Merger Sub relating to capitalization, corporate authorization and non-contravention being true and correct in all material respects as of the date of the merger agreement and as of the closing date of the merger as though made on and as of the closing date of the merger (except to the extent such representations or warranties speak of another date, in which case, as of such date);

the representations and warranties of Anthem relating to absence of certain changes being true and correct as of the date of the merger agreement;

all other representations and warranties of Anthem and Merger Sub set forth in the merger agreement (in each case, except for representations and warranties with respect to material contracts, read without any materiality, material or material adverse effect qualifications) being true and correct as of the date of the merger agreement and as of the closing date of the merger as though made on and as of the closing date of the merger (except to the extent such representations or warranties speak of another date, in which case, as of such date), other than such failures to be true and correct that would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Anthem;

Anthem and Merger Sub having performed or having complied in all material respects with all agreements and covenants required to be performed by them under the merger agreement at or prior to closing date of the merger;

no material adverse effect (as defined in *Material Adverse Effect* on page 188 of this joint proxy statement/prospectus) on Anthem has occurred at any time on or after the date of the merger agreement; and

the receipt of a certificate of the chief executive officer and the chief financial officer of Anthem certifying that the five preceding conditions have been satisfied.

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**Termination of the Merger Agreement (See page 204)**

The merger agreement may be terminated and the mergers may be abandoned at any time prior to the effective time of the merger, whether before or after adoption of the merger agreement by the Cigna shareholders and the approval of the Anthem shareholders of the share issuance, respectively, under certain circumstances, including:

by either Anthem or Cigna:

if the merger has not been consummated on or before January 31, 2017, referred to as the outside date in this joint proxy statement/prospectus; provided that a party will not have the right to terminate the merger agreement in this circumstance if that party has failed to perform fully its obligations under the merger agreement in any manner that has proximately caused or resulted in the failure of the merger to be consummated by such date; provided, further, that such date may be extended by Anthem or Cigna by written notice to the other party, to a date not later than April 30, 2017, if all the closing conditions to the merger are satisfied or capable of being satisfied other than with respect to legal restraints (but only if such legal restraint relates to the HSR Act or other antitrust laws, any healthcare or insurance laws or any licenses or rules of the BCBSA) or government consents;

if Cigna shareholders vote on and fail to adopt the merger agreement at the Cigna special meeting or at any adjournment or postponement thereof;

if Anthem shareholders vote on and fail to approve the share issuance at the Anthem special meeting or at any adjournment or postponement thereof;

if a governmental entity or federal or state court of competent jurisdiction has enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that is in effect and that prevents or prohibits the completion of the mergers or a governmental entity has instituted any action or proceeding (which remains pending at what would otherwise be the closing date of the merger) before any United States court or other governmental entity of competent jurisdiction seeking to enjoin, restrain or otherwise prohibit the completion of the mergers and such legal restraint has become final and non-appealable; provided that a party may not terminate the merger agreement in this circumstance if that party has failed to perform fully its obligations under the merger agreement in any manner that has proximately caused or resulted in the imposition of such legal restraint or the failure of such legal restraint to be resisted, resolved or lifted;

subject to cure rights, if there shall have been a breach of any representation, warranty, covenant or agreement of the other party or any representation or warranty of the other party has become untrue after the date of the merger agreement, which breach or untrue representation or warranty gives rise to the failure of any condition to the other party's obligation to effect the merger;

by Anthem:

if the Cigna board of directors makes an adverse recommendation change;

if Cigna has materially breached the shareholder recommendation or non-solicitation provisions of the merger agreement;

so long as Anthem has complied with its shareholder recommendation and non-solicitation obligations under the merger agreement, at any time prior to obtaining the approval of the share issuance by the Anthem shareholders at the Anthem special meeting or any adjournment or

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postponement thereof, in order to concurrently enter into a binding agreement for an alternative transaction that constitutes a superior proposal with respect to Anthem, if prior to or concurrently with such termination, Anthem pays the Anthem termination fee (as defined below);

by Cigna:

if the Anthem board of directors makes an adverse recommendation change;

if Anthem has materially breached the shareholder recommendation or non-solicitation provisions of the merger agreement;

so long as Cigna has complied with its shareholder recommendation and non-solicitation obligations under the merger agreement, at any time prior to obtaining the adoption of the merger agreement by the Cigna shareholders at the Cigna special meeting or any adjournment or postponement thereof, in order to concurrently enter into a binding agreement for an alternative transaction with respect to Cigna that constitutes a superior proposal with respect to Cigna, if prior to or concurrently with such termination, Cigna pays the Cigna termination fee (as defined below).

If the merger agreement is terminated, the obligations of the parties under the merger agreement will terminate, except for certain provisions in the merger agreement, including those relating to confidentiality, fees and expenses, and there will be no liability on the part of any party, except in the case of fraud or willful breach of a representation, warranty, covenant or agreement set forth in the merger agreement.

**Termination Fees (See page 206)**

If the merger agreement is terminated, Cigna will be obligated to pay a termination fee of \$1,850,000,000, referred to as the Cigna termination fee in this joint proxy statement/prospectus, to Anthem if:

the merger agreement (1) is terminated by Anthem because the Cigna board of directors (a) failed to recommend adoption of the merger agreement by the Cigna shareholders or failed to include such recommendation in this joint proxy statement/prospectus, (b) made an adverse recommendation change, (c) authorized, approved or recommended to the Cigna shareholders or otherwise authorized, approved or publicly recommended an alternative transaction with respect to Cigna or (d) failed to publicly confirm its recommendation to adopt the merger agreement within ten business days after a written request (which request was reasonable under the circumstances) by Anthem that it do so following Cigna's receipt of an alternative transaction, (2) could have been terminated by Anthem for any of the immediately preceding reasons and is terminated by either Anthem or Cigna because of the occurrence of the outside date or because the Cigna shareholders voted on and failed to adopt the merger agreement at the Cigna special meeting or at any adjournment or postponement thereof or (3) is terminated by Anthem because Cigna materially breached its shareholder recommendation or non-solicitation obligations under the merger agreement; in which case, Cigna will pay to Anthem the Cigna termination fee within two business days following termination of the merger agreement;

the merger agreement is terminated by either Anthem or Cigna due to the occurrence of the outside date and (1) a vote of the Cigna shareholders at the Cigna special meeting to adopt the merger agreement has not occurred and (2) a proposal with respect to an alternative transaction with respect to Cigna has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement and prior to the date of termination of the merger agreement; in which case, if Cigna within 12 months after such termination either consummates an alternative transaction or enters into a definitive agreement to implement an alternative transaction, Cigna will pay to Anthem the Cigna termination fee simultaneously with such consummation or entering into such definitive agreement (provided that references to 15% in the definition of an alternative transaction will be deemed to be 50% for this purpose);

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the merger agreement is terminated by either Anthem or Cigna because the Cigna shareholders voted on and failed to adopt the merger agreement at the Cigna special meeting or at any adjournment or postponement thereof, if a proposal with respect to an alternative transaction with respect to Cigna has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement and prior to the date of the Cigna special meeting; in which case, if Cigna within 12 months after such termination either consummates an alternative transaction or enters into a definitive agreement to implement an alternative transaction, Cigna will pay to Anthem the Cigna termination fee simultaneously with such consummation or entering into such definitive agreement (provided that references to 15% in the definition of an alternative transaction will be deemed to be 50% for this purpose); or

the merger agreement is terminated by Cigna in order to concurrently enter into a binding agreement for an alternative transaction with respect to Cigna that constitutes a superior proposal; in which case, Cigna will pay to Anthem the Cigna termination fee on the date of the termination of the merger agreement.

If the merger agreement is terminated, Anthem will be obligated to pay a termination fee of \$1,850,000,000, referred to as the Anthem termination fee in this joint proxy statement/prospectus, to Cigna if:

the merger agreement (1) is terminated by Cigna because the Anthem board of directors (a) failed to recommend approval of the share issuance by the Anthem shareholders or failed to include such recommendation in this joint proxy statement/prospectus, (b) made an adverse recommendation change, (c) authorized, approved or recommended to the Anthem shareholders or otherwise authorized, approved or publicly recommended an alternative transaction with respect to Anthem or (d) failed to publicly confirm its recommendation to adopt the merger agreement within ten business days after a written request (which request was reasonable under the circumstances) by Cigna that it do so following Anthem's receipt of an alternative transaction, (2) could have been terminated by Cigna for any of the immediately preceding reasons and is terminated by either Anthem or Cigna because of the occurrence of the outside date or because the Anthem shareholders voted on and failed to approve the share issuance at the Anthem special meeting or at any adjournment or postponement thereof or (3) is terminated by Cigna because Anthem materially breached its shareholder recommendation or non-solicitation obligations under the merger agreement; in which case, Anthem will pay to Cigna the Anthem termination fee within two business days following termination of the merger agreement;

the merger agreement is terminated by either Anthem or Cigna due to the occurrence of the outside date and (1) a vote of the Anthem shareholders at the Anthem special meeting to approve the share issuance has not occurred and (2) a proposal with respect to an alternative transaction with respect to Anthem has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement and prior to the date of termination of the merger agreement; in which case, if Anthem within 12 months after such termination either consummates an alternative transaction or enters into a definitive agreement to implement an alternative transaction, Anthem will pay to Cigna the Anthem termination fee simultaneously with such consummation or entering into such definitive agreement (provided that references to 15% in the definition of an alternative transaction will be deemed to be 50% for this purpose);

the merger agreement is terminated by either Anthem or Cigna because the Anthem shareholders voted on and failed to adopt the merger agreement at the Anthem special meeting or at any adjournment or postponement thereof, if a proposal with respect to an alternative transaction with respect to Anthem has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement and prior to the date of the Anthem special meeting; in which case, if Anthem within 12 months after such termination either consummates an alternative transaction or enters into a definitive agreement to implement an alternative transaction, Anthem will pay to Cigna



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the Anthem termination fee simultaneously with such consummation or entering into such definitive agreement (provided that references to 15% in the definition of an alternative transaction will be deemed to be 50% for this purpose); or

the merger agreement is terminated by Anthem in order to concurrently enter into a binding agreement for an alternative transaction with respect to Anthem that constitutes a superior proposal; in which case, Anthem will pay to Cigna the Anthem termination fee on the date of the termination of the merger agreement.

If the merger agreement is terminated by either Anthem or Cigna (1) because of the occurrence of the outside date and a vote of the Cigna shareholders at the Cigna special meeting to adopt the merger agreement has not occurred and a proposal with respect to an alternative transaction with respect to Cigna has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement or (2) because the Cigna shareholders voted on and failed to adopt the merger agreement at the Cigna special meeting or at any adjournment or postponement thereof, then Cigna will pay to Anthem a fee of \$600,000,000, referred to as the Cigna expense fee in this joint proxy statement/prospectus, on the second business day immediately following the date of termination of the merger agreement. If the Cigna termination fee is payable by Cigna after the time Cigna pays the Cigna expense fee, the amount of the Cigna termination fee will be reduced by the Cigna expense fee.

If the merger agreement is terminated by either Anthem or Cigna (1) because of the occurrence of the outside date and a vote of the Anthem shareholders at the Anthem special meeting to approve the share issuance has not occurred and a proposal with respect to an alternative transaction with respect to Anthem has been publicly proposed or announced or otherwise publicly disclosed and not withdrawn after the date of the merger agreement or (2) because the Anthem shareholders voted on and failed to approve the share issuance at the Anthem special meeting or at any adjournment or postponement thereof, then Anthem will pay to Cigna a fee of \$600,000,000, referred to as the Anthem expense fee in this joint proxy statement/prospectus, on the second business day immediately following the date of termination of the merger agreement. If the Anthem termination fee is payable by Anthem after the time Anthem pays the Anthem expense fee, the amount of the Anthem termination fee will be reduced by the Anthem expense fee.

If the merger agreement is terminated by either Anthem or Cigna (1) because a governmental entity or federal or state court of competent jurisdiction has enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that is in effect and that prevents or prohibits the completion of the mergers or because a governmental entity has instituted any action or proceeding (which remains pending at what would otherwise be the closing date of the merger) before any United States court or other governmental entity of competent jurisdiction seeking to enjoin, restrain or otherwise prohibit the completion of the mergers and such legal restraint has become final and non-appealable, but only if such legal restraint relates to the HSR Act or other antitrust laws, any healthcare or insurance laws or any licenses or rules of the BCBSA or (2) due to the occurrence of the outside date and at the time of such termination all conditions to Anthem's obligation to effect the merger have been satisfied (other than (x) the legal restraint condition (but only if such legal restraint relates to the HSR Act or other antitrust laws, any healthcare or insurance laws or any licenses or rules of the BCBSA) or the government consent condition and (y) conditions that by their nature are to be satisfied at the closing of the merger, but that are capable of being satisfied if the closing of the merger were to occur on the date of such termination), then Anthem will pay to Cigna a fee in the amount of \$1,850,000,000, referred to as the reverse termination fee in this joint proxy statement/prospectus; provided that the reverse termination fee will not be payable in the event that the failure of the legal restraint condition (but only if such legal restraint relates to the HSR Act or other antitrust laws, any healthcare or insurance laws or any licenses or rules of the BCBSA) or the government consent condition to be satisfied is caused by Cigna's willful breach of its obligations to complete



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the mergers or Cigna refuses to effect the merger on the basis of a burdensome term or condition. The reverse termination fee will be paid on the second business day immediately following the date of termination of the merger agreement. Notwithstanding anything to the contrary, if Cigna receives the reverse termination fee and Anthem has not willfully breached any of its obligations under the merger agreement, such payment will be the sole and exclusive remedy of Cigna against Anthem. If Cigna receives any payments from Anthem or Merger Sub in respect of a breach of the merger agreement, and later receives the reverse termination fee, the amount of the reverse termination fee will be reduced by the aggregate amount of such payments made by Anthem or Merger Sub with respect to such breaches.

## **Comparison of Shareholders Rights (See page 218)**

Cigna shareholders will have different rights once they become Anthem shareholders due to differences between the organizational documents of Anthem and Cigna and differences between Indiana law, where Anthem is incorporated, and Delaware law, where Cigna is incorporated. See the section entitled *Comparison of Shareholders Rights* beginning on page 218 of this joint proxy statement/prospectus.

## **Appraisal Rights (Page 233)**

If the merger agreement is adopted by Cigna shareholders, Cigna shareholders who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. This means that holders of shares of Cigna common stock are entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of their shares of Cigna common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with interest to be paid upon the amount determined to be fair value, if any, as determined by the court. Cigna shareholders who wish to seek appraisal of their shares are in any case encouraged to seek the advice of legal counsel with respect to the exercise of appraisal rights due to the complexity of the appraisal process.

Cigna shareholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

To exercise your appraisal rights, (1) you must submit a written demand for appraisal to Cigna before the shareholder vote is taken on the proposal to adopt the merger agreement, (2) you must not submit a blank proxy or otherwise vote in favor of the proposal to adopt the merger agreement and (3) you must hold the shares of Cigna common stock of record when you submit your written demand for appraisal and continue to hold them through the effective time of the merger. Your failure to follow the procedures specified under the DGCL will result in the loss of your appraisal rights. The DGCL requirements for exercising appraisal rights are described in further detail in this joint proxy statement/prospectus, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as **Annex E** to this joint proxy statement/prospectus. If you hold your shares of Cigna common stock through a broker, bank or other nominee and you wish to exercise appraisal rights, you should consult with your broker, bank or other nominee to determine the appropriate procedures for the making of a demand for appraisal by such broker, bank or other nominee.

Under the IBCL, Anthem shareholders will not be entitled to appraisal or dissenters rights in connection with the mergers or the share issuance.



**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ANTHEM**

The following table presents selected historical consolidated financial data of Anthem. The selected historical consolidated financial data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 are derived from Anthem's audited consolidated financial statements and accompanying notes. Anthem's audited consolidated financial statements for the years ended December 31, 2014, 2013 and 2012, and as of December 31, 2014 and 2013, are contained in Anthem's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this joint proxy statement/prospectus. Anthem's audited consolidated financial statements for the years ended December 31, 2011 and 2010, and as of December 31, 2012, 2011 and 2010, are not incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data as of and for the six months ended June 30, 2015, are derived from Anthem's unaudited consolidated financial statements and accompanying notes, which are contained in Anthem's Form 10-Q for the quarter ended June 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data as of and for the six months ended June 30, 2014, are derived from Anthem's unaudited consolidated financial statements and accompanying notes, which are contained in Anthem's Form 10-Q for the quarter ended June 30, 2014, which is incorporated by reference into this joint proxy statement/prospectus. In the opinion of Anthem's management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The information set forth below is only a summary and is not necessarily indicative of the results of Anthem or the combined company following completion of the merger and related transactions, and you should read the following information together with Anthem's audited consolidated financial statements and accompanying notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Anthem's Annual Report on Form 10-K for the year ended December 31, 2014, in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, and in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and in Anthem's other reports filed with the SEC. For more information, see the section entitled "Where You Can Find More Information" beginning on page 241 of this joint proxy statement/prospectus.

	As of and for the Six Months Ended June 30,		As of and for the Years Ended December 31,				
	2015	2014 <sup>(1)</sup>	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(1)(2)</sup>	2011 <sup>(2)</sup>	2010
<i>(in millions, except where indicated)</i>							
<i>and except per share data)</i>							
<b>Income Statement Data</b>							
Total operating revenue <sup>(3)</sup>	\$ 38,609.7	\$ 35,874.8	\$ 73,021.7	\$ 70,191.4	\$ 60,514.0	\$ 59,865.2	\$ 57,740.5
Total revenues	39,067.0	36,332.8	73,874.1	71,023.5	61,497.2	60,710.7	58,698.5
	1,724.3	1,422.5	2,560.1	2,634.3	2,651.0	2,646.7	2,887.1

Income from continuing operations							
Net income	1,724.3	1,432.1	2,569.7	2,489.7	2,655.5	2,646.7	2,887.1
<b>Per Share Data</b>							
Basic net income per share continuing operations	\$ 6.51	\$ 5.07	\$ 9.28	\$ 8.83	\$ 8.25	\$ 7.35	\$ 7.03
Diluted net income per share continuing operations	6.22	4.92	8.96	8.67	8.17	7.25	6.94
Dividends per share	1.2500	0.8750	1.7500	1.5000	1.1500	1.0000	
<b>Other Data (unaudited)</b>							
Benefit expense ratio <sup>(4)</sup>	81.2%	82.7%	83.1%	85.1%	85.3%	85.1%	83.2%
Selling, general and administrative expense ratio <sup>(5)</sup>	16.0%	16.0%	16.1%	14.2%	14.3%	14.1%	15.1%
Income from continuing operations before income taxes as a percentage of total revenues	8.0%	6.6%	5.9%	5.4%	6.3%	6.5%	7.4%
Net income as a percentage of total revenues	4.4%	3.9%	3.5%	3.5%	4.3%	4.4%	4.9%
Medical membership (in thousands)	38,527	37,272	37,499	35,653	36,130	34,251	33,323
<b>Balance Sheet Data</b>							
Cash and investments	\$ 23,967.0	\$ 24,240.9	\$ 23,777.7	\$ 22,395.9	\$ 22,464.6	\$ 20,696.5	\$ 20,311.8
Total assets <sup>(6)</sup>	64,263.8	62,212.8	61,956.7	59,478.3	58,853.9	52,118.4	50,242.5
Long-term debt, less current portion <sup>(6)</sup>	15,468.4	13,947.2	14,019.6	13,477.4	14,069.3	8,420.9	8,147.8
Total liabilities <sup>(6)</sup>	41,201.2	37,835.9	37,705.4	34,713.1	35,051.2	28,830.2	26,429.9
Total shareholders equity	23,062.6	24,376.9	24,251.3	24,765.2	23,802.7	23,288.2	23,812.6

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- (1) The operating results of 1-800 CONTACTS, Inc. are reported as discontinued operations at December 31, 2014, 2013 and 2012 as a result of the divestiture completed on January 31, 2014. Included in net income for the six months ended June 30, 2014, and for the year ended December 31, 2014, is income from discontinued operations, net of tax, of \$9.6. Included in net income for the year ended December 31, 2013, is a loss from discontinued operations, net of tax, of \$144.6. Included in net income for the year ended December 31, 2012, is income from discontinued operations, net of tax, of \$4.5.
- (2) The net assets of and results of operations for AMERIGROUP Corporation are included from its acquisition date of December 24, 2012. The net assets of and results of operations for CareMore are included from its acquisition date of August 22, 2011.
- (3) Operating revenue is obtained by adding premiums, administrative fees and other revenue.
- (4) The benefit expense ratio represents benefit expenses as a percentage of premium revenue.
- (5) The selling, general and administrative expense ratio represents selling, general and administrative expenses as a percentage of total operating revenue.
- (6) Amounts as of June 30, 2014, and December 31, 2014, 2013, 2012 and 2011 have been retroactively restated to reflect the reclassification of unamortized debt issuance costs from an asset to a contra-liability as a result of the adoption of Accounting Standards Update No. 2015-03, *Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, during the six months ended June 30, 2015.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF CIGNA**

The following table presents selected historical consolidated financial data of Cigna. The selected historical consolidated financial data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 are derived from Cigna's audited consolidated financial statements and accompanying notes. Cigna's audited consolidated financial statements for the years ended December 31, 2014, 2013 and 2012, and as of December 31, 2014 and 2013, are contained in Cigna's Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this joint proxy statement/prospectus. Cigna's audited consolidated financial statements for the years ended December 31, 2011 and 2010, and as of December 31, 2012, 2011 and 2010, are not incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data as of and for the six months ended June 30, 2015, are derived from Cigna's unaudited consolidated financial statements and accompanying notes, which are contained in Cigna's Form 10-Q for the quarter ended June 30, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data as of and for the six months ended June 30, 2014, are derived from Cigna's unaudited consolidated financial statements and accompanying notes, which are contained in Cigna's Form 10-Q for the quarter ended June 30, 2014, which is incorporated by reference into this joint proxy statement/prospectus. In the opinion of Cigna's management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The information set forth below is only a summary and is not necessarily indicative of the results of Cigna or the combined company following completion of the merger and related transactions, and you should read the following information together with Cigna's audited consolidated financial statements and accompanying notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Cigna's Annual Report on Form 10-K for the year ended December 31, 2014, in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, and in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and in Cigna's other reports filed with the SEC. For more information, see the section entitled "Where You Can Find More Information" beginning on page 241 of this joint proxy statement/prospectus.

	<b>As of and for the Six Months</b>		<b>As of and for the Years Ended December 31,</b>				
	<b>Ended June 30,</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<i>(in millions, except where indicated)</i>							
<i>and except per share data)</i>							
<b>Income Statement Data</b>							
Total revenues	\$ 18,959	\$ 17,229	\$ 34,914	\$ 32,380	\$ 29,119	\$ 21,865	\$ 21,128
Total benefits and expenses	17,169	15,475	31,610	30,204	26,642	19,989	19,326
Income taxes	675	653	1,210	698	853	615	519
Shareholders' net income	1,121	1,101	2,102	1,476	1,623	1,260	1,279
<b>Per Share Data</b>							
Shareholders' net income per share basic	\$ 4.38	\$ 4.11	\$ 7.97	\$ 5.28	\$ 5.70	\$ 4.65	\$ 4.69



Shareholders' net income per share diluted	4.30	4.05	7.83	5.18	5.61	4.59	4.65
Dividends declared per share	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<b>Other Data (unaudited)</b>							
Global medical customers ( <i>in thousands</i> )	14,771	14,247	14,456	14,217	14,045	12,680	12,473
<b>Balance Sheet Data</b>							
Total investments	\$ 23,819	\$ 23,752	\$ 24,342	\$ 22,365	\$ 23,660	\$ 22,490	\$ 20,948
Total assets	57,132	55,929	55,896	54,336	53,734	50,697	45,393
Long-term debt	5,046	5,022	5,005	5,014	4,986	4,990	2,288
Total liabilities	45,753	44,878	45,017	43,659	43,851	42,703	39,019
Total shareholders' equity	11,290	10,937	10,774	10,567	9,769	7,994	6,356

(1) Includes adjustments for noncontrolling interests

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**ANTHEM UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The unaudited pro forma condensed combined financial statements presented below give effect to the merger, in which Cigna will become a wholly owned subsidiary of Anthem, as if it had occurred on June 30, 2015, for purposes of the unaudited pro forma condensed combined balance sheet, and as of January 1, 2014, for purposes of the unaudited pro forma condensed combined statements of income for the six months ended June 30, 2015, and the year ended December 31, 2014. The unaudited pro forma condensed combined balance sheet and statements of income include the historical consolidated financial amounts of Anthem and Cigna, adjusted to reclassify Cigna's information to a consistent presentation format and to reflect the effects of the merger. The preparation of the unaudited pro forma condensed combined financial statements and related adjustments required Anthem's management to make certain assumptions and estimates. The pro forma adjustments give effect to events that are (1) directly attributable to the merger, (2) factually supportable and (3) with respect to the statements of income, expected to have a continuing impact on the combined company's results. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements.

In addition, the unaudited pro forma condensed combined financial information should be read in conjunction with the following information, which is incorporated by reference herein:

Anthem's historical audited consolidated financial statements and accompanying notes included in Anthem's Annual Report on Form 10-K for the year ended December 31, 2014;

Cigna's historical audited consolidated financial statements and accompanying notes included in Cigna's Annual Report on Form 10-K for the year ended December 31, 2014;

Anthem's historical unaudited consolidated financial statements and accompanying notes included in Anthem's Quarterly Report on Form 10-Q for the period ended June 30, 2015; and

Cigna's historical unaudited consolidated financial statements and accompanying notes included in Cigna's Quarterly Report on Form 10-Q for the period ended June 30, 2015.

Anthem has prepared the unaudited pro forma condensed combined financial statements using the acquisition method of accounting for business combinations pursuant to the provisions of Accounting Standards Codification, or ASC, Topic 805, *Business Combinations*, referred to as "ASC 805" in this joint proxy statement/prospectus, with Anthem identified as the acquirer. Anthem will record the assets (including identifiable intangible assets) and liabilities of Cigna at their estimated fair value. The difference between the purchase price and the estimated fair value of Cigna's net assets and liabilities will result in goodwill. The final determination of the acquisition consideration and fair values of Cigna's assets and liabilities will be based on valuations that will exist as of the date of completion of the merger. The merger has not yet received the necessary consents from governmental authorities. Under the HSR Act and other relevant laws, before completion of the merger, there are significant limitations regarding what Anthem can learn about Cigna. The fair values of the assets and liabilities of Cigna included in the unaudited pro forma condensed combined balance sheet have been measured based on various preliminary estimates and assumptions that Anthem believes are reasonable based on information currently available. Consequently, the actual amounts allocated to goodwill and intangible assets could change significantly from those allocations used in the unaudited pro forma

condensed combined financial statements presented herein and could result in material differences from those presented in the unaudited pro forma condensed combined financial statements.

Anthem intends to commence the necessary valuation and other studies required to complete the acquisition accounting promptly upon completion of the mergers and will finalize the acquisition accounting as soon as practicable within the required measurement period prescribed by ASC 805, but in no event later than one year following completion of the mergers.

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The unaudited pro forma condensed combined financial statements have been prepared by Anthem's management in accordance with Article 11 of Regulation S-X promulgated by the SEC and are not necessarily indicative of the combined financial position or results of operations that might have been achieved had the transaction been completed as of the dates indicated, nor are they meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the transaction. In addition, the accompanying unaudited pro forma condensed combined statements of income do not include any pro forma adjustments to reflect expected revenue synergies, expected cost savings or restructuring actions that may be achievable or the impact of any non-recurring activity and one-time transaction related costs.

The selected unaudited pro forma financial information is provided for illustrative purposes only and is based on available information and assumptions that Anthem and Cigna believe are reasonable. It does not purport to represent what the actual consolidated results of operations or the consolidated financial position of Anthem would have been had the merger occurred on the dates indicated, nor is it necessarily indicative of future consolidated results of operations or consolidated financial position. The actual financial position and results of operations will differ, perhaps significantly, from the pro forma condensed amounts reflected herein due to a variety of factors, including those discussed in the section entitled *Risk Factors* beginning on page 67 of this joint proxy statement/prospectus, and including access to additional information, changes in value not currently identified and changes in operating results following the date of the pro forma financial information.

The following unaudited pro forma condensed combined financial data have been developed from and should be read in conjunction with the consolidated financial statements and related notes of both Anthem and Cigna, incorporated by reference into this joint proxy statement/prospectus, and the more detailed unaudited pro forma condensed combined financial statements, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus.

**Table of Contents****Unaudited Pro Forma Condensed Combined Balance Sheet**

As of June 30, 2015

<i>(In millions)</i>	<b>Anthem Historical</b>	<b>Note 4 Cigna Historical</b>	<b>Acquisition Adjustments</b>	<b>Note 6 Ref. Adjustments</b>	<b>Financing Ref. Adjustments</b>	<b>Pro Forma Ref. Combined</b>
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,553.0	\$ 1,968.5	\$ (26,982.6)	<b>a</b>	\$ 26,955.1	\$ 3,494.0
Marketable investments	19,941.9	1,169.1			(4,982.6)	16,128.4
Other investments	23.4	594.4				617.8
Premium and self-funded receivables	4,940.8	2,083.9				7,024.7
Other receivables	2,368.0	2,057.4				4,425.4
Deferred tax assets, net	295.6	277.9	129.8	<b>b</b>		703.3
Other current assets	4,079.5	920.7				5,000.2
<b>Total current assets</b>	<b>33,202.2</b>	<b>9,071.9</b>	<b>(26,852.8)</b>		<b>21,972.5</b>	<b>37,393.8</b>
Long-term marketable investments	645.4	17,588.9				18,234.3
Other long-term investments	1,803.3	4,466.6	74.0	<b>c</b>		6,343.9
Property and equipment	1,931.4	1,502.0	179.0	<b>d</b>		3,612.4
Goodwill	17,541.7	6,041.3	22,496.5	<b>e</b>		46,079.5
Other intangible assets	8,275.5	768.1	21,981.9	<b>f</b>		31,025.5
Other noncurrent assets	413.2	1,432.8				1,846.0
Reinsurance receivables	421.3	6,485.1				6,906.4
Deferred policy acquisition costs	29.8	1,464.4	(1,464.4)	<b>g</b>		29.8
Separate account assets		8,310.6				8,310.6
<b>Total assets</b>	<b>\$ 64,263.8</b>	<b>\$ 57,131.7</b>	<b>\$ 16,414.2</b>		<b>\$ 21,972.5</b>	<b>\$ 159,782.2</b>
<b>Liabilities and shareholders equity</b>						
<b>Liabilities</b>						
Current Liabilities:						
Medical claims payable	\$ 7,177.9	\$ 2,372.5	\$		\$	\$ 9,550.4
Reserve for future policy benefits	67.7	516.9				584.6
Non-medical claims payable		1,546.6				1,546.6
Other policyholder liabilities	2,741.4	1,526.9				4,268.3
Unearned income	950.5	262.0				1,212.5
Accounts payable and accrued expenses	4,433.8	2,511.0	495.0	<b>h</b>		7,439.8
Short-term borrowings and current portion long-term debt	1,164.9	150.4				1,315.3
Other current liabilities	4,137.0	1,018.9				5,155.9

Total current liabilities	20,673.2	9,905.2	495.0			31,073.4
Long term debt, less current portion	15,468.4	5,046.0	488.0	<b>i</b>	21,972.5	<b>u</b> 42,974.9
Reserve for future policy benefits, noncurrent	607.6	8,978.2	100.0	<b>j</b>		9,685.8
Non-medical claims payable, noncurrent		3,085.6	250.0	<b>k</b>		3,335.6
Contractholder deposit funds		7,225.2	12.0	<b>l</b>		7,237.2
Deferred tax liabilities, net	3,226.2		7,214.2	<b>m</b>		10,440.4
Other noncurrent liabilities	1,225.8	3,291.3				4,517.1
Separate account liabilities		8,310.6				8,310.6
<b>Total liabilities</b>	<b>41,201.2</b>	<b>45,842.1</b>	<b>8,559.2</b>		<b>21,972.5</b>	<b>117,575.0</b>
<b>Shareholders equity</b>						
Common stock	2.6	74.0	(72.7)	<b>n</b>		3.9
Treasury stock		(1,672.0)	1,672.0	<b>o</b>		
Additional paid-in capital	8,707.4	2,835.0	16,673.5	<b>p</b>		28,215.9
Retained earnings	14,352.2	11,177.8	(11,543.0)	<b>q</b>		13,987.0
Accumulated other comprehensive income (loss)	0.4	(1,125.2)	1,125.2	<b>r</b>		0.4
<b>Total shareholders equity</b>	<b>23,062.6</b>	<b>11,289.6</b>	<b>7,855.0</b>			<b>42,207.2</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 64,263.8</b>	<b>\$ 57,131.7</b>	<b>\$ 16,414.2</b>		<b>\$ 21,972.5</b>	<b>\$ 159,782.2</b>

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

**Table of Contents****Unaudited Pro Forma Condensed Combined Statements of Income****Six Months Ended June 30, 2015**

<i>(In millions, except per share data)</i>	Note 4		Note 7			Pro Forma Combined	
	Anthem Historical	Cigna Historical	Acquisition Adjustments	Ref.	Financing Adjustments Ref.		
<b>Revenues</b>							
Premiums	\$ 36,126.8	\$ 14,912.0	\$		\$	\$ 51,038.8	
Administrative fees	2,456.6	2,346.5				4,803.1	
Mail order pharmacy revenue		1,203.2				1,203.2	
Other revenue	26.3					26.3	
<b>Total operating revenue</b>	<b>38,609.7</b>	<b>18,461.7</b>				<b>57,071.4</b>	
Net investment income	354.3	572.6	(87.6)	v	(49.8)	aa	789.5
Net realized gains on investments	103.0	93.7					196.7
<b>Total revenues</b>	<b>39,067.0</b>	<b>19,128.0</b>	<b>(87.6)</b>		<b>(49.8)</b>		<b>58,057.6</b>
<b>Expenses</b>							
Benefit expense	29,332.3	11,649.0					40,981.3
Administrative expense	6,186.0	4,349.7	15.0	w			10,550.7
Mail order pharmacy costs		1,021.3					1,021.3
Interest expense	308.5	128.5	(28.9)	x	429.0	bb	837.1
Amortization of other intangible assets	112.6	83.5	999.1	y			1,195.2
Loss on extinguishment of debt	0.5	100.0					100.5
<b>Total expenses</b>	<b>35,939.9</b>	<b>17,332.0</b>	<b>985.2</b>		<b>429.0</b>		<b>54,686.1</b>
<b>Income before income tax expense</b>	<b>3,127.1</b>	<b>1,796.0</b>	<b>(1,072.8)</b>		<b>(478.8)</b>		<b>3,371.5</b>
Income tax expense	1,402.8	675.0	(375.5)	z	(167.6)	cc	1,534.7
<b>Net income</b>	<b>\$ 1,724.3</b>	<b>\$ 1,121.0</b>	<b>\$ (697.3)</b>		<b>\$ (311.2)</b>		<b>\$ 1,836.8</b>
<b>Net income per share:</b>							
Basic	\$ 6.51	\$ 4.38					\$ 4.60
Diluted	\$ 6.22	\$ 4.30					\$ 4.44
<b>Weighted average shares outstanding (see Note 8):</b>							
Basic	264.8	256.2	(122.1)				398.9
Diluted	277.3	260.7	(123.9)				414.1

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements.





**Table of Contents****Unaudited Pro Forma Condensed Combined Statements of Income****Year Ended December 31, 2014**

<i>(In millions, except per share data)</i>	<b>Anthem Historical</b>	<b>Note 4 Cigna Historical</b>	<b>Acquisition Adjustments</b>	<b>Note 7 Financing Ref. Adjustments</b>	<b>Ref.</b>	<b>Pro Forma Combined</b>	
<b>Revenues</b>							
Premiums	\$ 68,389.8	\$ 27,364.2	\$	\$		\$ 95,754.0	
Administrative fees	4,590.6	4,243.4				8,834.0	
Mail order pharmacy revenue		2,239.0				2,239.0	
Other revenue	41.3					41.3	
<b>Total operating revenue</b>	<b>73,021.7</b>	<b>33,846.6</b>				<b>106,868.3</b>	
Net investment income	724.4	1,166.0	(175.3)	<b>v</b>	(99.7)	<b>aa</b>	1,615.4
Net realized gains on investments	128.0	153.8					281.8
<b>Total revenues</b>	<b>73,874.1</b>	<b>35,166.4</b>	<b>(175.3)</b>		<b>(99.7)</b>		<b>108,765.5</b>
<b>Expenses</b>							
Benefit expense	56,854.9	21,334.2					78,189.1
Administrative expense	11,748.4	8,153.3	149.3	<b>w</b>			20,051.0
Mail order pharmacy costs		1,907.1					1,907.1
Interest expense	600.7	265.5	(57.8)	<b>x</b>	858.0	<b>bb</b>	1,666.4
Amortization of other intangible assets	220.9	195.0	2,136.1	<b>y</b>			2,552.0
Loss on extinguishment of debt	81.1						81.1
<b>Total expenses</b>	<b>69,506.0</b>	<b>31,855.1</b>	<b>2,227.6</b>		<b>858.0</b>		<b>104,446.7</b>
<b>Income from continuing operations before income tax expense</b>							
	4,368.1	3,311.3	(2,402.9)		(957.7)		4,318.8
Income tax expense	1,808.0	1,209.8	(841.0)	<b>z</b>	(335.2)	<b>cc</b>	1,841.6
<b>Income from continuing operations<sup>(1)</sup></b>	<b>\$ 2,560.1</b>	<b>\$ 2,101.5</b>	<b>\$ (1,561.9)</b>		<b>\$ (622.5)</b>		<b>\$ 2,477.2</b>
<b>Income from continuing operations per share:</b>							
Basic	\$ 9.28	\$ 7.97					\$ 6.04
Diluted	\$ 8.96	\$ 7.83					\$ 5.86
<b>Weighted average shares outstanding (see Note 8):</b>							
Basic	275.9	263.9	(129.8)				410.0
Diluted	285.9	268.6	(131.8)				422.7

- (1) Per Article 11 of Regulation S-X, results from discontinued operations should not be presented. Anthem recognized \$9.6 of income from discontinued operations, net of tax during the year ended December 31, 2014. This amount is not shown in the Anthem historical information presented above. See the section entitled *Selected Historical Consolidated Financial Data of Anthem* beginning on page 35 of this joint proxy statement/prospectus. See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

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**Table of Contents****NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS****1. Description of the Transaction**

On July 23, 2015, Anthem, Merger Sub and Cigna entered into the merger agreement, pursuant to which, subject to the terms set forth in the merger agreement, Merger Sub will merge with and into Cigna, or the merger, with Cigna surviving as the initial surviving corporation. If certain tax opinions relating to the qualifications of the merger are delivered, immediately following the consummation of the merger, the initial surviving corporation will then merge with and into Anthem whereupon the separate corporate existence of the initial surviving corporation will cease and Anthem will continue as the surviving corporation. At the effective time of the merger, Cigna shareholders, subject to certain exclusions, will receive \$103.40 in cash and 0.5152 of a share of Anthem common stock for each share of Cigna common stock issued and outstanding immediately prior to the merger.

At the merger, each vested, outstanding and unexercised Cigna stock option or appreciation right will be canceled and converted automatically into the right to receive the merger consideration with an aggregate value equal to the intrinsic value of such award. Each option or appreciation right that is unvested, outstanding and unexercised at the merger shall be converted into equivalent awards with respect to Anthem common stock. Generally, all other Cigna equity awards (including strategic performance share awards, restricted stock awards, restricted stock unit awards and deferred stock unit awards) will be converted into equivalent equity awards with respect to Anthem common stock.

The merger is expected to close in the second half of 2016 and is subject to certain state regulatory approvals, standard closing conditions, customary approvals required under the HSR Act and the approval of both the Anthem shareholders and the Cigna shareholders.

**2. Basis of Presentation**

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting in accordance with ASC 805, which uses the fair value concepts defined in ASC Topic 820, *Fair Value Measurements*, referred to as ASC 820 in this joint proxy statement/prospectus.

ASC 805 requires, among other things, that assets acquired, liabilities assumed and non-controlling interests be recognized at their fair values as of the date of the merger. In addition, ASC 805 requires that the consideration transferred be measured at the date the merger is completed, at the then-current market price.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the most advantageous market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. Many of these fair value measurements can be highly subjective and it is possible the application of reasonable judgment to the same facts and circumstances could develop different assumptions resulting in a range of alternative estimates.

For purposes of preparing the unaudited pro forma condensed combined financial statements, the market price of Anthem common stock was estimated using the closing price of \$141.91 on September 25, 2015. Since ASC 805 requires fair value measurements at the date of the merger, amounts assumed in these unaudited pro forma condensed combined financial statements will likely be different than the final amounts recorded at the completion of the merger.

Under the acquisition method of accounting, the fair value of the assets acquired and liabilities assumed will be added to those of Anthem. Financial statements and reported results of operations of Anthem issued after

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completion of the merger will reflect these values, but will not be retroactively restated to reflect the historical financial position or results of operations of Cigna.

ASC 805 requires that acquisition-related transaction costs, such as advisory, legal, valuation and other professional fees, not be included as a component of consideration transferred but should be accounted for as expenses in the periods in which such costs are incurred. Total acquisition-related transaction costs expected to be incurred by Anthem and Cigna are estimated to be \$345.0 million and \$150.0 million, respectively, none of which had been incurred as of June 30, 2015. Acquisition-related transaction costs expected to be incurred by Anthem include estimated fees related to the bridge facility and estimated costs associated with the issuance of long-term transaction related debt expected to be issued prior to completion of the mergers. Preparation of the pro forma condensed combined balance sheet requires the inclusion of adjustments that are both recurring and nonrecurring, while preparation of the pro forma condensed combined statements of income should only include adjustments that have a continuing impact and therefore, not include material nonrecurring adjustments that result from the transaction, such as the expected acquisition-related transaction costs. As a result, the expected acquisition-related transaction costs have been included in the unaudited pro forma condensed combined balance sheet as of June 30, 2015, as an increase to accounts payable and accrued expenses, with the related tax benefits recognized as an increase in deferred tax assets and the after tax amount included as a decrease to retained earnings.

The unaudited pro forma condensed combined financial statements do not reflect any potential divestitures that may occur prior to, or subsequent to, the completion of the merger, or the projected realization of cost reductions from synergies following completion of the merger. These cost reductions are anticipated to result from elimination of certain administrative expenses, as well as network and medical management savings. Although Anthem projects that cost reductions will result from the merger, there can be no assurance that these cost reductions will be achieved. The unaudited pro forma condensed combined financial statements do not reflect any projected restructuring and integration-related costs associated with the cost reductions and no estimates for these potential synergies have been included in the estimate of expected acquisition-related transaction costs discussed above. Such restructuring and integration-related costs will be expensed in the accounting periods when incurred after completion of the merger. In addition, the unaudited pro forma condensed combined financial statements do not reflect any potential debt repayments to reduce Anthem's debt-to-capital ratio to the low 40% range over the 24 months following the completion of the merger.

**3. Accounting Policies**

As part of preparing the unaudited pro forma condensed combined financial statements, Anthem conducted an initial review of the accounting policies of Cigna to determine if differences in accounting policies require restatement or reclassification of results of operations or reclassification of assets or liabilities to conform to Anthem's accounting policies and classifications. During the preparation of these unaudited pro forma condensed combined financial statements, Anthem did not become aware of any material differences between accounting policies of Anthem and Cigna except for certain reclassifications necessary to conform to Anthem's financial statement presentation. The reclassifications made in the preparation of the unaudited pro forma condensed combined financial statements are presented in Note 4.

Upon consummation of the merger, a more comprehensive review of the accounting policies of Cigna will be performed, which may identify other differences among the accounting policies of Anthem and Cigna that, when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements.

**4. Historical Cigna Conforming Adjustments**

Financial information of Cigna in the Cigna Historical column of the unaudited pro forma condensed combined financial statements represents the historical reported balances of Cigna reclassified to conform to the

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presentation in Anthem's financial statements. Reclassifications were made to report Cigna's unclassified balance sheet using a classified format as well as to conform Cigna's reported amounts to the financial statement line item groupings reported by Anthem.

**Balance Sheet Reclassifications**

Presented below is the asset section of Cigna's balance sheet at June 30, 2015, conformed to a classified format, including reclassifications made for consistent application of Anthem's accounting policies (amounts in millions):

	Cigna Historical	Adjustments to Classify Assets	Ref.
<b>Assets</b>			
Investments	\$ 23,819.0	\$ (23,819.0)	1
Cash and equivalents	1,968.5	(1,968.5)	
Premiums, accounts and notes receivable, net	3,790.1	(3,790.1)	2
Reinsurance recoverables	7,021.3	(7,021.3)	3
Deferred policy acquisition costs	1,588.4	(1,588.4)	
Property and equipment	1,502.0	(1,502.0)	
Deferred tax assets, net	368.8	(368.8)	4
Goodwill	6,041.3	(6,041.3)	
Other assets, including other intangibles	2,721.7	(2,721.7)	5
Separate account assets	8,310.6	(8,310.6)	
<b>Total assets</b>	<b>\$ 57,131.7</b>	<b>\$ (57,131.7)</b>	

			Cigna Historical in Classified Format	Financial Statement Presentation Reclassifications	Ref.	Cigna Historical in Anthem Presentation
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,968.5		\$ 1,968.5	\$		\$ 1,968.5
Marketable investments	1,169.1	1	1,169.1			1,169.1
Other investments	594.4	1	594.4			594.4
Premium and self-funded receivables	3,605.1	2	3,605.1	(1,521.2)	6	2,083.9
Other receivables	536.2	3	536.2	1,521.2	6	2,057.4
Deferred tax assets, net	277.9	4	277.9			277.9
Other current assets	920.7	5	920.7			920.7
<b>Total current assets</b>	<b>9,071.9</b>		<b>9,071.9</b>			<b>9,071.9</b>

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Long-term marketable investments	17,588.9	1	17,588.9			17,588.9
Other long-term investments	4,466.6	1	4,466.6			4,466.6
Property and equipment	1,502.0		1,502.0			1,502.0
Goodwill	6,041.3		6,041.3			6,041.3
Other intangible assets				768.1	7	768.1
Other noncurrent assets	2,076.9	2, 4, 5	2,076.9	(644.1)	7	1,432.8
Reinsurance receivables	6,485.1	3	6,485.1			6,485.1
Deferred policy acquisition costs	1,588.4		1,588.4	(124.0)	7	1,464.4
Separate account assets	8,310.6		8,310.6			8,310.6
<b>Total assets</b>	<b>\$ 57,131.7</b>		<b>\$ 57,131.7</b>	<b>\$</b>		<b>\$ 57,131.7</b>



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- 1 Reclassify Total investments \$23,819.0 to Marketable investments \$1,169.1, Other investments \$594.4, Long marketable investments \$17,588.9 and Other long-term investments \$4,466.6.
- 2 Reclassify Premiums, accounts and notes receivable, net \$3,790.1 to Premium and self-funded receivables \$3,605.1 and Other noncurrent assets \$185.0.
- 3 Reclassify Reinsurance recoverable \$7,021.3 to Other receivables \$536.2 and Reinsurance receivables \$6,485.
- 4 Reclassify Deferred tax assets, net \$368.8 to Deferred tax assets, net \$277.9 and Other noncurrent assets \$90.9.
- 5 Reclassify Other assets, including other intangibles \$2,721.7 to Other current assets \$920.7 and Other noncurrent assets \$1,801.0.
- 6 Reclassify non-customer receivables of \$1,521.2 from Premium and self-funded receivables to Other receivables .
- 7 Reclassify other intangible assets of \$644.1 from Other noncurrent assets and \$124.0 of value of businesses acquired, or VOBA, from Deferred policy acquisition costs to Other intangible assets .

Presented below is the liability section of Cigna's balance sheet at June 30, 2015, conformed to a classified format, including reclassifications made for consistent application of Anthem's accounting policies (amounts in millions):

	Cigna Historical	Adjustments to Classify Liabilities	Ref.
<b>Liabilities</b>			
Contractholder deposit funds	\$ 8,433.1	\$ (8,433.1)	8
Future policy benefits	9,495.1	(9,495.1)	9
Unpaid claims and claims expense	4,572.8	(4,572.8)	10
Global Health Care medical costs payable	2,431.9	(2,431.9)	11
Unearned premiums	627.2	(627.2)	12
Accounts payable, accrued expenses and other liabilities	6,685.7	(6,685.7)	13
Short-term debt	150.4	(150.4)	
Long-term debt	5,046.0	(5,046.0)	
Separate account liabilities	8,310.6	(8,310.6)	
<b>Total liabilities</b>	<b>\$ 45,752.8</b>	<b>\$ (45,752.8)</b>	

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			Cigna Historical in Classified Format	Financial Statement Presentation Reclassifications	Ref.	Cigna Historical in Anthem Presentation
<b>Liabilities</b>						
Current Liabilities:						
Medical claims payable	\$ 2,372.5	11	\$ 2,372.5	\$		\$ 2,372.5
Reserve for future policy benefits	516.9	9	516.9			516.9
Non-medical claims payable	1,546.6	10	1,546.6			1,546.6
Other policyholder liabilities	1,207.9	8	1,207.9	319.0	14	1,526.9
Unearned income	262.0	12	262.0			262.0
Accounts payable and accrued expenses				2,511.0	15	2,511.0
Short-term borrowings and current portion long-term debt	150.4		150.4			150.4
Other current liabilities	3,848.9	13	3,848.9	(2,830.0)	14, 15	1,018.9
<b>Total current liabilities</b>	<b>9,905.2</b>		<b>9,905.2</b>			<b>9,905.2</b>
Long term debt, less current portion	5,046.0		5,046.0			5,046.0
Reserve for future policy benefits, noncurrent	8,978.2	9	8,978.2			8,978.2
Non-medical claims payable, noncurrent	3,085.6	10, 11	3,085.6			3,085.6
Contractholder deposit funds	7,225.2	8	7,225.2			7,225.2
Deferred tax liabilities, net						
Other noncurrent liabilities	3,202.0	12, 13	3,202.0	89.3	16, 17	3,291.3
Separate account liabilities	8,310.6		8,310.6			8,310.6
<b>Total liabilities</b>	<b>\$ 45,752.8</b>		<b>\$ 45,752.8</b>	<b>\$ 89.3</b>		<b>\$ 45,842.1</b>

<sup>8</sup> Reclassify Contractholder deposit funds \$8,433.1 to Other policyholder liabilities \$1,207.9 and Contractholder deposit funds \$7,225.2.

<sup>9</sup> Reclassify Future policy benefits \$9,495.1 to Reserve for future policy benefits \$516.9 and Reserve for future policy benefits, noncurrent \$8,978.2.

<sup>10</sup> Reclassify Unpaid claims and claim expenses \$4,572.8 to Non-medical claims payable \$1,546.6 and Non-medical claims payable, noncurrent \$3,026.2.

<sup>11</sup> Reclassify Global Health Care medical claims payable \$2,431.9 to Medical claims payable \$2,372.5 and Non-medical claims payable, noncurrent \$59.4.

<sup>12</sup> Reclassify Unearned premiums \$627.2 to Unearned Income \$262.0 and Other noncurrent liabilities \$365.2.

<sup>13</sup> Reclassify Accounts payable, accrued expenses and other liabilities \$6,685.7 to Other current liabilities \$3,848.9 and Other noncurrent liabilities \$2,836.8.

<sup>14</sup> Reclassify experience-rated refund balances of \$319.0 from Other current liabilities to Other policyholder liabilities .

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Reclassify accounts payable and accrued expenses of \$2,511.0 from Other current liabilities to Accounts payable and accrued expenses .

<sup>16</sup> Reclassify redeemable noncontrolling interests of \$75.8 from Redeemable noncontrolling interests presented in the table below to Other noncurrent liabilities .

<sup>17</sup> Reclassify noncontrolling interest of \$13.5 from Noncontrolling interest to Other noncurrent liabilities .

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Presented below are the redeemable noncontrolling interests and the equity section of Cigna's balance sheet at June 30, 2015, with reclassifications made for consistent application of Anthem's accounting policies (amounts in millions):

	Cigna Historical	Financial Statement Reclassifications	Ref.	Cigna Historical in Anthem Presentation
Redeemable noncontrolling interests	\$ 75.8	\$ (75.8)	16	\$
<b>Shareholders' equity</b>				
Common stock	74.0			74.0
Treasury stock	(1,672.0)			(1,672.0)
Additional paid-in capital	2,835.0			2,835.0
Retained earnings	11,177.8			11,177.8
Accumulated other comprehensive loss	(1,125.2)			(1,125.2)
<b>Total shareholders' equity</b>	11,289.6			11,289.6
Noncontrolling interests	13.5	(13.5)	17	
<b>Total equity</b>	\$ 11,303.1	\$ (13.5)		\$ 11,289.6

<sup>16</sup> Reclassify redeemable noncontrolling interests of \$75.8 from Redeemable noncontrolling interests to Other noncurrent liabilities.

<sup>17</sup> Reclassify noncontrolling interest of \$13.5 from Noncontrolling interest to Other noncurrent liabilities.

**Income Statement Reclassifications**

Presented below are certain line items from Cigna's income statement for the six months ended June 30, 2015, adjusted to reflect reclassifications made for consistent application of Anthem's accounting policies (amounts in millions):

	Before Reclassification	Reclassification Amount	Ref.	Cigna Historical in Anthem Presentation
Premiums	\$ 14,834.0	\$ 78.0	18	\$ 14,912.0
Administrative fees	2,255.9	90.6	18, 19	2,346.5
Interest expense		128.5	20	128.5
Loss on extinguishment of debt		100.0	21	100.0
Administrative expenses	4,415.6	(65.9)	19, 20, 21, 22	4,349.7
Loss attributable to noncontrolling interests	(6.0)	6.0	22	

- 18 Reclassify \$78.0 of certain amounts recognized related to minimum premium contracts from Administrative fees to Premiums .
- 19 Reclassify \$168.6 of certain pharmacy considerations historically presented as a reduction of expenses from Administrative expenses to Administrative fees .
- 20 Reclassify interest expense of \$128.5 from Administrative expenses to Interest expense .
- 21 Reclassify loss on extinguishment of debt of \$100.0 from Administrative expenses to Loss on extinguishment of debt .
- 22 Reclassify loss attributable to noncontrolling interests of \$6.0 from Loss attributable to noncontrolling interests to Administrative expenses .

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Presented below are certain line items from Cigna's income statement for the year ended December 31, 2014 to include reclassifications made for consistent application of Anthem's accounting policies (amounts in millions):

	Before Reclassification	Reclassification Amount	Ref.	Cigna Historical in Anthem Presentation
Premiums	\$ 27,213.2	\$ 151.0	23	\$ 27,364.2
Administrative fees	4,141.8	101.6	23, 24	4,243.4
Interest expense		265.5	25	265.5
Amortization of other intangible assets		195.0	26	195.0
Administrative expenses	8,368.8	(215.5)	24, 25, 26, 27	8,153.3
Loss attributable to noncontrolling interests	(7.6)	7.6	27	

- <sup>23</sup> Reclassify \$151.0 of certain amounts recognized related to minimum premium contracts from Administrative fees to Premiums .
- <sup>24</sup> Reclassify \$252.6 of certain pharmacy considerations historically presented as a reduction of expenses from Administrative expenses to Administrative fees .
- <sup>25</sup> Reclassify interest expense of \$265.5 from Administrative expenses to Interest expense .
- <sup>26</sup> Reclassify amortization expense of other intangible assets of \$195.0 from Administrative expenses to Amortization of other intangible assets .
- <sup>27</sup> Reclassify loss attributable to noncontrolling interests of \$7.6 from Loss attributable to noncontrolling interests to Administrative expenses .

**5. Preliminary Merger Consideration**

Upon completion of the merger, each share of Cigna common stock (other than the exceptions defined in the merger agreement) shall be canceled and converted into the right to receive \$103.40 in cash and 0.5152 of a share of Anthem common stock. In addition, in accordance with the merger agreement, replacement stock-based awards will be issued by Anthem to the holders of Cigna's outstanding stock-based awards (including stock options, restricted stock awards, restricted stock unit awards, performance share awards and deferred stock unit awards). The estimated fair value of the replacement equity awards attributable to service periods prior to the merger is included in the merger consideration.

The preliminary estimate of the merger consideration shown in the following tables has been calculated using the number of Cigna common shares and stock-based awards outstanding as of June 30, 2015, and the closing price of Anthem common stock as of September 25, 2015.

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The following table presents a preliminary estimate of total cash consideration (amounts in millions, except for per share data):

**Cash consideration:**Shareholders:

Cigna common shares outstanding	257.5
(x) merger agreement cash consideration per share paid to Cigna shareholders	\$ 103.4

Preliminary estimate of cash consideration paid to Cigna shareholders	\$ 26,625.5
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Vested stock option holders:

Cigna vested options outstanding	3.7
(x) merger consideration value less exercise price	\$ 131.36
(x) cash percentage of merger consideration value	58.58%

Preliminary estimate of cash consideration paid to Cigna vested stock option holders	\$ 284.7
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Band 4 restricted stock:

Cigna Band 4 restricted stock outstanding	0.7
(x) merger agreement cash consideration per share paid to Cigna shareholders	\$ 103.4

Preliminary estimate of cash consideration paid to Cigna Band 4 restricted stock holders	\$ 72.4
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Preliminary fair value estimate of total cash consideration	\$ 26,982.6
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The following table presents a preliminary estimate of total stock consideration (amounts in millions, except for per share data):

**Stock consideration:**Shareholders:

Cigna common shares outstanding	257.5
(x) merger agreement per share exchange ratio	0.5152

Preliminary shares issued by Anthem to Cigna shareholders	132.7
(x) per share price of Anthem common stock as of September 25, 2015	\$ 141.91

Preliminary estimate of fair value of common stock issued to Cigna shareholders	\$ 18,831.5
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Vested stock option holders:

Cigna vested options outstanding	3.7
(x) merger consideration value less exercise price	\$ 131.36
(x) stock percentage of merger consideration value	41.42%
(/) per share price of Anthem common stock as of September 25, 2015	\$ 141.91

Preliminary shares issued by Anthem to Cigna stock option holders	1.4
(x) per share price of Anthem common stock as of September 25, 2015	\$ 141.91
Preliminary estimate of fair value of common stock issued to Cigna stock options holders	\$ 198.7
Preliminary fair value estimate of total stock consideration (includes \$1.3 million common stock par value)	\$ 19,030.2



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The following table presents a preliminary estimate of the total consideration (amounts in millions):

<b>Total consideration:</b>	
Cash consideration from above	\$ 26,982.6
Common stock consideration from above	19,030.2
Unvested stock-based award consideration preliminary estimate of fair value of unvested stock-based awards issued portion assigned to service period prior to the merger	479.6
<b>Preliminary estimated merger consideration</b>	<b>\$ 46,492.4</b>

The estimated merger consideration expected to be transferred, which is reflected in these unaudited pro forma condensed combined financial statements, does not purport to represent the actual merger consideration that will be transferred when the merger is completed. In accordance with ASC 805, the fair value of equity securities issued as part of the merger consideration transferred will be measured on the date the merger is completed at the then-current market price. This requirement will likely result in a different value for the stock consideration and a per share equity component different from the \$73.11 (the per share price of Anthem common stock as of September 25, 2015 of \$141.91 multiplied by the merger agreement per share exchange ratio of 0.5152) assumed in these unaudited pro forma condensed combined financial statements, and that difference may be material. For example, if the price of shares of Anthem common stock on the date the merger is completed, increased or decreased by 10% from the price assumed in these unaudited pro forma condensed combined financial statements, the merger consideration would increase or decrease by approximately \$1.9 billion, which would be reflected in these unaudited pro forma condensed combined financial statements as an increase or a decrease to goodwill.

The preliminary estimate of assets acquired and liabilities to be assumed by Anthem in the merger, reconciled to the estimate of the merger consideration expected to be transferred, are as follows (amounts in millions):

	<b>June 30, 2015</b>
Net book value of net assets acquired	\$ 11,289.6
Less historical:	
Goodwill	(6,041.3)
Intangible assets, including value of business acquired ( VOBA )	(768.1)
Deferred policy acquisition costs	(1,464.4)
Deferred tax liabilities, net	371.5
<b>Adjusted book value of net assets acquired</b>	<b>3,387.3</b>
Identified intangible assets <sup>(1)</sup>	20,550.0
VOBA <sup>(1)</sup>	2,200.0
Fair value adjustments <sup>(2)</sup>	(597.0)
Net deferred tax liabilities <sup>(3)</sup>	(7,585.7)
<b>Total identifiable net assets acquired</b>	<b>\$ 17,954.6</b>

Estimated merger consideration	\$ 46,492.4
Goodwill <sup>(4)</sup>	\$ 28,537.8

- (1) As of completion of the merger, identifiable intangible assets and VOBA are required to be measured at fair value, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements and consistent with the ASC 820 requirements for fair value, it is assumed that all assets will be used, and that all assets will be used in a manner that represents the highest and best use of those assets.

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The fair value of identifiable intangible assets and VOBA is determined primarily using variations of the income approach, which is based on the present value of the future after tax cash flows attributable to each identified intangible asset. Other valuation methods, including the market approach and cost approach, were also considered in estimating the fair value. Under the HSR Act and other relevant laws and regulations, there are significant limitations on Anthem's ability to obtain specific information about Cigna's intangible assets prior to completion of the merger.

At this time, Anthem does not have sufficient information as to the amount, timing and risk of cash flows of all of Cigna's identifiable intangible assets and VOBA to determine their fair value. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; and the assessment of the asset's life cycle and the competitive trends impacting the asset.

However, for purposes of these unaudited pro forma condensed combined financial statements and using publicly available information, such as historical revenues, Cigna's cost structure, industry information for comparable intangible assets and certain other high-level assumptions, the fair value of Cigna's identifiable intangible assets and VOBA, as well as their weighted-average useful lives have been estimated as follows (amounts in millions):

	<b>Estimated Fair Value</b>	<b>Estimated Useful Life (Years)</b>	<b>Amortization Method</b>
Customer relationships	\$ 14,000.0	14	Sum of Years
Provider network	900.0	20	Straight-line
Tradename HealthSpring	900.0	10	Sum of Years
 Total identifiable intangible assets with finite lives	 15,800.0		
 VOBA life, accident and specialty	 1,700.0	 13	 Expected premiums
VOBA corporate owned life insurance ( COLI )	500.0	30	Expected profits
 Total VOBA	 2,200.0		
 Life insurance licenses	 50.0	 Indefinite	
State Medicaid licenses	100.0	Indefinite	
Tradename Cigna	4,600.0	Indefinite	
 Total identifiable intangible assets with indefinite lives	 4,750.0		
 Total identifiable intangible assets and VOBA	 \$ 22,750.0		

The estimated pro forma amortization expense related to the identifiable intangible assets with finite lives and VOBA for the five years following the merger is as follows (amounts in millions):

Year 1	\$ 2,331.1
Year 2	2,165.1
Year 3	1,993.5
Year 4	1,823.3
Year 5	1,654.0

These preliminary estimates of fair value and weighted-average useful life will likely be different from the final acquisition accounting and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once Anthem has full access to information about Cigna's intangible assets and VOBA, additional insight will be gained that could impact (a) the estimated total value assigned to intangible assets and VOBA, (b) the estimated allocation of value between finite-lived and indefinite-lived intangible assets and/or (c) the estimated useful lives of intangible assets and

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VOBA. The estimated intangible asset and VOBA values and their useful lives could be impacted by a variety of factors that may become known to Anthem only upon access to additional information and/or by changes in such factors that may occur prior to completion of the merger. These factors include, but are not limited to, changes in the regulatory, legislative, legal, technological and competitive environments. Increased knowledge about these and/or other elements could result in a change to the estimated fair value of the identifiable Cigna intangible assets and VOBA and/or to the estimated weighted-average useful lives from what Anthem has assumed in these unaudited pro forma condensed combined financial statements. The combined effect of any such changes could then also result in a significant increase or decrease to Anthem's estimate of associated amortization expense.

- (2) As of the completion of the merger, various other assets and liabilities are required to be measured at fair value. Anthem has estimated fair value adjustments for (a) internally developed software, (b) commercial mortgage loans, (c) long-term debt, (d) insurance reserves and (e) contract deposit funds. The fair value adjustment for internally developed software was estimated using an income approach, similar to the identifiable intangible assets. The fair value adjustment of the insurance reserves were estimated based on a review of Cigna's historical reserves and a preliminary estimate of the impact of updating certain assumptions to current expectations. The fair value adjustments for commercial mortgage loans, long-term debt and contract deposit funds were estimated using publicly available information. As of the date of this joint proxy statement/prospectus, Anthem does not have sufficient information to make a reasonable preliminary estimate of the remaining other assets and liabilities. Accordingly, for purposes of these unaudited pro forma condensed combined financial statements, Anthem has assumed that the historical Cigna book values approximate the best estimate of fair value for all other assets and liabilities not separately discussed in these unaudited pro forma condensed combined financial statements.
- (3) As of the completion of the merger, Anthem will establish net deferred tax liabilities and make other tax adjustments as part of the accounting for the merger, primarily related to estimated fair value adjustments for identifiable intangible assets, VOBA, debt, certain marketable investments and insurance reserves (see (1) and (2) above). Anthem will also establish deferred tax assets related to the estimated fair value of stock-based compensation included as merger consideration (represents the portion assigned to service periods prior to the merger).

The pro forma adjustment to record the effect of deferred taxes was computed as follows (amounts in millions):

**Deferred taxes fair value adjustments of assets to be acquired and liabilities to be assumed**

Estimated fair value of identified intangible assets acquired	\$ 20,550.0
Estimated fair value of value of business acquired	2,200.0
Estimated fair value adjustment of internally developed software acquired	179.0
Estimated fair value adjustment of debt to be assumed	(488.0)
Estimated fair value adjustment of reserves assumed	(350.0)
Estimated fair value adjustment of commercial mortgage loans	74.0
Estimated fair value adjustment of contract holder deposit funds	(12.0)
<b>Total estimated fair value adjustments of assets to be acquired and liabilities to be assumed</b>	<b>22,153.0</b>
Tax rate at 35% <sup>(a)</sup>	35.0%

Deferred tax liabilities for fair value adjustments of assets to be acquired and liabilities to be assumed	\$ (7,753.6)
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**Deferred taxes fair value of stock-based compensation included in merger consideration**

Estimated fair value of stock based compensation included in merger consideration	\$ 479.6
Tax rate at 35% <sup>(a)</sup>	35.0%

Estimated deferred tax asset for fair value of stock-based compensation included in merger consideration	\$ 167.9
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Net deferred tax liabilities	\$ (7,585.7)
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<sup>(a)</sup> Anthem assumed a 35% tax rate when estimating the deferred tax impacts of the acquisition.

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- (4) Goodwill is calculated as the difference between the acquisition date fair value of the merger consideration expected to be transferred and the aggregate values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized.

**6. Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments**

Adjustments included in the Acquisition Adjustments column in the accompanying unaudited pro forma condensed combined balance sheet as of June 30, 2015 are as follows (amounts in millions):

	Ref.	Increase (Decrease) at June 30, 2015
<b>Acquisition Adjustments</b>		
<b>Assets:</b>		
<b>Cash and cash equivalents</b> to reflect cash consideration paid by Anthem to Cigna shareholders	<b>a</b>	\$ (26,982.6)
<b>Deferred tax assets, net</b> to record tax impact of the estimated transaction costs to be incurred	<b>b</b>	\$ 129.8
<b>Other long-term investments</b> to reflect fair value adjustment for commercial mortgage loans	<b>c</b>	\$ 74.0
<b>Property and equipment</b> to reflect fair value of software	<b>d</b>	\$ 179.0
<b>Goodwill</b>		
Eliminate Cigna's historical goodwill		\$ (6,041.3)
Estimated transaction goodwill		28,537.8
<b>Total adjustment to goodwill</b>	<b>e</b>	\$ 22,496.5
<b>Other intangible assets</b>		
Eliminate Cigna's historical other intangible assets and VOBA		\$ (768.1)
Estimated transaction other intangible assets and VOBA		22,750.0
<b>Total adjustment to other intangible assets</b>	<b>f</b>	\$ 21,981.9
<b>Deferred policy acquisition costs</b> eliminate Cigna's historical deferred policy acquisition costs	<b>g</b>	\$ (1,464.4)
<b>Liabilities:</b>		
<b>Accounts payable and accrued expenses</b> adjustment to record estimated transaction costs to be incurred	<b>h</b>	\$ 495.0
<b>Long-term debt, less current portion</b> to reflect fair value of Cigna's outstanding debt assumed by Anthem	<b>i</b>	\$ 488.0
<b>Reserve for future policy benefits, noncurrent</b> to reflect fair value of annuity contracts	<b>j</b>	\$ 100.0
<b>Non-medical claims payable, noncurrent</b> to reflect fair value of disability reserves	<b>k</b>	\$ 250.0
<b>Contractholder deposit funds</b> to reflect fair value of funds	<b>l</b>	\$ 12.0

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	Ref.	Increase (Decrease) at June 30, 2015
<b>Acquisition Adjustments (Continued)</b>		
<b>Deferred tax liabilities, net</b>		
To record deferred tax liability for fair value adjustment to marketable investments		\$ 25.9
To record deferred tax liability for fair value adjustment of internally developed software acquired		62.7
To record deferred tax liability for acquired intangible assets		7,962.5
To record deferred tax asset for fair value adjustment to long-term debt		(170.8)
To record deferred tax asset for fair value adjustment to reserves assumed		(122.5)
To record deferred tax asset for fair value adjustment to contract holder deposit funds		(4.2)
To eliminate net deferred tax liability on book value of net assets acquired and eliminated		(371.5)
To record deferred tax asset for stock-based compensation included in merger consideration		(167.9)
Total adjustment to deferred tax liabilities, net	<b>m</b>	\$ 7,214.2
<b>Shareholders Equity:</b>		
<b>Common stock</b>		
To eliminate Cigna's historical common stock		\$ (74.0)
To record the par value of Anthem's common shares issued as part of the merger consideration		1.3
Total adjustment to common stock	<b>n</b>	\$ (72.7)
<b>Treasury stock</b> to eliminate Cigna's historical treasury stock	<b>o</b>	\$ 1,672.0
<b>Additional paid-in capital</b>		
To eliminate Cigna's historical additional paid-in capital		\$ (2,835.0)
To record additional paid-in capital from the issuance of Anthem common shares to fund a portion of the merger consideration		19,028.9
To record additional paid-in capital from the issuance of replacement stock-based awards		479.6
Total adjustment to additional paid-in capital	<b>p</b>	\$ 16,673.5
<b>Retained earnings</b>		
To eliminate Cigna's historical retained earnings		\$ (11,177.8)
To record estimated transaction costs to be incurred, net of tax		(365.2)
Total adjustment to retained earnings	<b>q</b>	\$ (11,543.0)
<b>Accumulated other comprehensive income (loss)</b> to eliminate Cigna's historical accumulated other comprehensive loss	<b>r</b>	\$ 1,125.2



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Adjustments included in the Financing Adjustments column in the accompanying unaudited pro forma condensed combined balance sheet as of June 30, 2015, are as follows (in millions):

	Ref.	Increase (Decrease) at June 30, 2015
<b>Financing Adjustments</b>		
<b>Assets:</b>		
<b>Cash</b>		
Adjustment to reflect sale of marketable investments to fund the cash consideration		\$ 4,982.6
Adjustment to reflect issuance of debt to fund the cash consideration		22,000.0
Adjustment to reflect cost of debt issuance		(27.5)
Total adjustment to cash	s	\$ 26,955.1
<b>Marketable investments</b>		
Adjustment to reflect sale of marketable investments to fund the cash consideration	t	\$ (4,982.6)
<b>Liabilities:</b>		
<b>Long-term debt, less current portion</b>		
Adjustment to reflect issuance of debt to fund the cash consideration		\$ 22,000.0
Adjustment to reflect cost of debt issuance		(27.5)
Total adjustment to long-term debt, less current portion	u	\$ 21,972.5

**Table of Contents****7. Unaudited Pro Forma Condensed Combined Statements of Income Adjustments**

Adjustments included in the Acquisition Adjustments column in the accompanying unaudited pro forma condensed combined statements of income are as follows (amounts in millions):

	Ref.	Increase (Decrease) for the Six Months Ended June 30, 2015	Increase (Decrease) for the Year Ended December 31, 2014
<b>Acquisition Adjustments</b>			
<b>Revenues:</b>			
<b>Net investment income</b>			
Adjustment to amortize the fair value adjustment to Cigna's investments	v	\$ (87.6)	\$ (175.3)
<b>Expenses:</b>			
<b>Administrative expense</b>			
Adjustment to amortize the fair value adjustment to Cigna's property and equipment		\$ 14.9	\$ 29.8
Adjustment to recognize estimated additional stock compensation expense related to the amortization of the fair value increase to Cigna's stock-based awards converted to Anthem stock-based awards		34.0	179.6
Adjustment to eliminate Cigna's historical amortization of net actuarial loss and prior service cost related to the pension and other postretirement obligation that will be assumed by Anthem in the transaction		(33.9)	(60.1)
Total administrative expense	w	\$ 15.0	\$ 149.3
<b>Interest expense</b>			
Adjustment to reflect interest expense as a result of the fair value adjustment to Cigna's long-term debt	x	\$ (28.9)	\$ (57.8)
<b>Amortization of other intangible assets</b>			
Eliminate Cigna's historical other intangible asset amortization expense		\$ (83.5)	\$ (195.0)
Estimated transaction-related other intangible asset amortization		1,082.6	2,331.1
Total amortization of other intangible assets	y	\$ 999.1	\$ 2,136.1
<b>Income Tax Expense</b>			
Adjustment to reflect the income tax impact using a 35% tax rate, representing the federal statutory tax rate and exclusion of any state impacts, which are unknown at the date of this joint proxy statement/prospectus but are expected to be immaterial. The	z	\$ (375.5)	\$ (841.0)

effective tax rate of the combined companies will be significantly different following the merger.

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Adjustments included in the Financing Adjustments column in the accompanying unaudited pro forma condensed combined statements of income are as follows (amounts in millions):

	Ref.	Increase (Decrease) for the Six Months Ended June 30, 2015	Increase (Decrease) for the Year Ended December 31, 2014
<b>Financing Adjustments</b>			
<b>Revenues:</b>			
<b>Net investment income</b>			
Adjustment to reflect the estimated impact on net investment income based on the average yield of the investments to be sold to fund the cash consideration	aa	\$ (49.8)	\$ (99.7)
<b>Expenses:</b>			
<b>Interest expense</b>			
Adjustment to record estimated interest expense on the new debt issued to fund the cash consideration	bb	\$ 429.0	\$ 858.0
<b>Income Tax Expense</b>			
Adjustment to reflect the income tax impact using a 35% tax rate, representing the federal statutory tax rate and exclusion of any state impacts, which are unknown at the date of this joint proxy statement/prospectus but are expected to be immaterial. The effective tax rate of the combined companies will be significantly different following the merger.	cc	\$ (167.6)	\$ (335.2)
If interest rates were to increase or decrease by 0.125% from the rates assumed for the new debt, pro forma interest expense would increase or decrease by approximately \$14.0 for the six months ended June 30, 2015, and \$28.0 for the year ended December 31, 2014.			

**8. Earnings Per Share**

The unaudited pro forma combined basic and diluted earnings per share calculations are based on the combined weighted-average basic and diluted shares of Anthem and Cigna. The historical weighted-average basic and diluted shares of Cigna were assumed to be replaced by the shares and converted stock-based awards expected to be issued by Anthem to effect the merger.

The following table summarizes the computation of the unaudited pro forma combined weighted-average basic and diluted shares outstanding (amounts in millions):

	Six Months Ended June 30, 2015	Year Ended December 31, 2014
Anthem's weighted-average shares to compute basic EPS	264.8	275.9
	132.7	132.7

Cigna's outstanding shares at June 30, 2015, converted at the exchange ratio  
(Anthem shares to be issued to replace Cigna shares)

Combined weighted-average basic shares outstanding	397.5	408.6
Cigna's outstanding vested stock options at June 30, 2015, converted at the stock percentage of the merger consideration value less the exercise price (Anthem shares to be issued to replace Cigna vested stock options)	1.4	1.4
Pro forma weighted-average basic shares outstanding	398.9	410.0
Diluted effect of Anthem's outstanding stock-based awards	12.5	10.0
Dilutive effect of Cigna's outstanding stock-based awards, converted at the exchange ratio (Anthem awards to be issued to replace Cigna awards)	2.7	2.7
Pro forma weighted-average diluted shares	414.1	422.7

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**COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The table set forth below contains selected historical and unaudited pro forma combined per share information for Anthem and Cigna.

**Historical per Share Data for Anthem Common Stock and Cigna Common Stock**

The historical per share data for Anthem and Cigna common stock below is derived from the audited consolidated financial statements of each of Anthem and Cigna as of and for the year ended December 31, 2014, and the unaudited condensed consolidated financial statements of each of Anthem and Cigna as of and for the six months ended June 30, 2015.

**Unaudited Pro Forma Combined per Share Data for Anthem Common Stock**

The unaudited pro forma combined per share data for Anthem common stock set forth below gives effect to the merger under the acquisition method of accounting, as if the merger had occurred on January 1, 2014, the first day of Anthem's fiscal year ended December 31, 2014, in the case of net income per share data, and on June 30, 2015, in the case of book value per share data, and assuming that each outstanding share of Cigna common stock had been converted into shares of Anthem common stock based on the exchange ratio of 0.5152. The exchange ratio does not include the \$103.40 cash portion of the merger consideration.

The unaudited pro forma combined per share data for Anthem common stock is derived from the unaudited condensed consolidated financial statements of each of Anthem and Cigna as of and for the six months ended June 30, 2015, and the audited consolidated financial statements for each of Anthem and Cigna as of and for the year ended December 31, 2014.

The acquisition method of accounting is based on Financial Accounting Standards Board, referred to as FASB, Accounting Standards Codification, referred to as ASC, 805, *Business Combinations*, and uses the fair value concepts defined in ASC 820, *Fair Value Measurements and Disclosures*, which Anthem has adopted as required. Acquisition accounting requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. Fair value measurements recorded in acquisition accounting are dependent upon detailed valuation studies of Cigna's assets and liabilities and other studies that have yet to commence. Accordingly, the pro forma adjustments reflect the assets and liabilities of Cigna at their preliminary estimated fair values. Differences between these preliminary estimates and the final values in acquisition accounting will occur and these differences could have a material impact on the unaudited pro forma combined per share information set forth in the following table.

The unaudited pro forma combined per share data for Anthem common stock does not purport to represent the actual results of operations that Anthem would have achieved had the companies been combined during these periods or to project the future results of operations that Anthem may achieve after the merger.

**Unaudited Pro Forma Combined per Cigna Equivalent Share Data**

The unaudited pro forma combined per Cigna equivalent share data set forth below shows the effect of the merger from the perspective of an owner of Cigna common stock. The information was calculated by multiplying the unaudited pro forma combined per share data for Anthem common stock by the exchange ratio of 0.5152. The exchange ratio does not include the \$103.40 cash portion of the merger consideration.

**Generally**

You should read the below information in conjunction with the selected historical consolidated financial information included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial

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statements of Anthem and Cigna and related notes that have been filed with the SEC, certain of which are incorporated by reference into this joint proxy statement/prospectus. See the sections entitled *Selected Historical Consolidated Financial Data of Anthem*, *Selected Historical Consolidated Financial Data of Cigna* and *Where You Can Find More Information* beginning on pages 35, 37 and 241, respectively, of this joint proxy statement/prospectus. The unaudited pro forma combined per share data for Anthem common stock and the unaudited pro forma combined per Cigna equivalent share data is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information and related notes included in this joint proxy statement/prospectus. See the section entitled *Anthem Unaudited Pro Forma Condensed Combined Financial Data* beginning on page 38 of this joint proxy statement/prospectus.

	<b>As of/ For the Six Months Ended June 30, 2015</b>	<b>As of/For the Year Ended December 31, 2014</b>
<b>Anthem Historical per Common Share Data:</b>		
Net income basic	\$ 6.51	\$ 9.28
Net income diluted	6.22	8.96
Cash dividends declared	1.25	1.75
Book value <sup>(1)</sup>	88.16	90.46
<b>Cigna Historical per Common Share Data:</b>		
Shareholders net income basic	\$ 4.38	\$ 7.97
Shareholders net income diluted	4.30	7.83
Cash dividends declared	0.04	0.04
Book value <sup>(1)</sup>	43.85	41.55
<b>Unaudited Pro Forma Combined per Anthem Common Share Data<sup>(2)</sup>:</b>		
Net income basic	\$ 4.60	\$ 6.04
Net income diluted	4.44	5.86
Cash dividends declared <sup>(2)</sup>	N/A	N/A
Book value <sup>(1)</sup>	106.66	N/A
<b>Unaudited Pro Forma Combined per Cigna Equivalent Share Data<sup>(2)</sup>:</b>		
Net income basic <sup>(3)</sup>	\$ 2.37	\$ 3.11
Net income diluted <sup>(3)</sup>	2.29	3.02
Cash dividends declared <sup>(2)</sup>	N/A	N/A
Book value <sup>(1)(3)</sup>	54.95	N/A

- (1) Amount is calculated by dividing shareholders' equity by shares of Anthem or Cigna common stock, as applicable, outstanding at the end of the period. Pro forma book value per share as of December 31, 2014 is not applicable as the estimated pro forma adjustments were calculated as of June 30, 2015.
- (2) Pro forma combined dividends per share data is not provided due to the fact that the dividend policy for the combined company will be determined by the Anthem board of directors after completion of the mergers.
- (3) Amounts calculated by multiplying unaudited pro forma combined per share amounts by the exchange ratio of 0.5152.





**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices**

Anthem common stock is listed on the NYSE under the trading symbol ANTM. Cigna common stock is listed on the NYSE under the trading symbol CI.

The cash dividends declared, and intra-day high and low sales prices per share for Anthem common stock on the NYSE Composite Tape, as reported by the NYSE, were as follows:

	<b>Anthem Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Dividend</b>
<b>2013:</b>			
First Calendar Quarter	\$ 66.62	\$ 58.75	\$ 0.3750
Second Calendar Quarter	82.33	65.82	0.3750
Third Calendar Quarter	90.00	80.75	0.3750
Fourth Calendar Quarter	94.36	83.13	0.3750
<b>2014:</b>			
First Calendar Quarter	\$ 102.56	\$ 81.84	\$ 0.4375
Second Calendar Quarter	110.03	90.75	0.4375
Third Calendar Quarter	124.58	106.52	0.4375
Fourth Calendar Quarter	129.96	108.92	0.4375
<b>2015:</b>			
First Calendar Quarter	\$ 160.64	\$ 122.86	\$ 0.6250
Second Calendar Quarter	173.59	148.29	0.6250
Third Calendar Quarter	165.93	134.62	0.6250
Fourth Calendar Quarter (through October 22, 2015)	149.87	135.24	

The cash dividends declared, and intra-day high and low sales prices per share for Cigna common stock on the NYSE Composite Tape, as reported by the NYSE, were as follows:

	<b>Cigna Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Dividend</b>
<b>2013:</b>			
First Calendar Quarter	\$ 63.19	\$ 53.91	\$ 0.04
Second Calendar Quarter	73.13	61.88	
Third Calendar Quarter	84.68	71.12	
Fourth Calendar Quarter	88.57	72.64	
<b>2014:</b>			
First Calendar Quarter	\$ 90.63	\$ 75.37	\$ 0.04
Second Calendar Quarter	93.20	73.47	
Third Calendar Quarter	97.28	87.33	
Fourth Calendar Quarter	105.73	85.75	
<b>2015:</b>			
First Calendar Quarter	\$ 131.13	\$ 100.67	\$ 0.04

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Second Calendar Quarter	170.68	124.28
Third Calendar Quarter	168.36	124.17
Fourth Calendar Quarter (through October 22, 2015)	143.14	127.70

The following table sets forth the closing price per share of Anthem common stock and of Cigna common stock as of May 28, 2015, the last trading day prior to healthcare industry consolidation rumors; June 12, 2015, the last trading day prior to initial media speculation regarding a possible transaction involving Anthem and Cigna; June 19, 2015, the last trading day prior to Anthem's press release regarding its prior proposal to Cigna; July 1, 2015, the last trading day prior to media speculation that Anthem and Cigna were engaging in discussions

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for a potential merger; July 22, 2015, the last trading day prior to the public announcement of the merger; and October 22, 2015, the most recent practicable trading day prior to the date of this joint proxy statement/prospectus. The table also shows the implied value of the merger consideration proposed for each share of Cigna common stock as of the same six dates. This implied value was calculated by multiplying the closing price of a share of Anthem common stock on the relevant date by the exchange ratio of 0.5152, representing the stock consideration, and adding \$103.40, the cash consideration.

	<b>Implied Per Share Value</b>		
	<b>Anthem Common Stock</b>	<b>Cigna Common Stock</b>	<b>of Merger Consideration</b>
May 28, 2015	\$ 164.22	\$ 135.87	\$ 188.01
June 12, 2015	\$ 160.71	\$ 137.31	\$ 186.20
June 19, 2015	\$ 165.06	\$ 155.26	\$ 188.44
July 1, 2015	\$ 165.22	\$ 162.04	\$ 188.52
July 22, 2015	\$ 155.10	\$ 151.07	\$ 183.31
October 22, 2015	\$ 139.41	\$ 129.49	\$ 175.22

The market prices of shares of Anthem common stock and Cigna common stock have fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the dates of the Anthem special meeting and of the Cigna special meeting and the date the merger is completed, and the market price of shares of Anthem common stock will continue to fluctuate after the date the merger is completed. No assurance can be given concerning the market prices of Anthem common stock and Cigna common stock before completion of the merger or Anthem common stock after completion of the merger. The exchange ratio is fixed in the merger agreement, but the market price of Anthem common stock (and therefore the value of the stock consideration and the merger consideration) when received by Cigna shareholders after the merger is completed could be greater than, less than or the same as shown in the table above. Accordingly, Cigna shareholders are advised to obtain current market quotations for Anthem common stock and Cigna common stock when considering whether to vote for adoption of the merger agreement.

**Dividends**

Anthem currently pays a quarterly dividend on Anthem common stock, and last paid a quarterly dividend on June 25, 2015, of \$0.625 per share. Under the terms of the merger agreement, during the period before completion of the merger, Anthem will not, and will cause its subsidiaries not to, declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, other than (1) regular quarterly cash dividends payable by Anthem in respect of shares of Anthem common stock not exceeding, with respect to any quarter, \$0.625 per share of Anthem common stock, (as such amount may be increased in the ordinary course of business as set forth in the confidential disclosure letter that Anthem delivered to Cigna concurrently with the execution of the merger agreement), with declaration, record and payment dates consistent with past practice and in accordance with Anthem's dividend policy as of the date of the merger agreement and (2) dividends payable by a directly or indirectly wholly owned subsidiary of Anthem to Anthem or to another directly or indirectly wholly owned subsidiary of Anthem.

Cigna currently pays an annual dividend on Cigna common stock, and last paid an annual dividend on April 10, 2015, of \$0.04 per share. Under the terms of the merger agreement, during the period before completion of the merger, Cigna will not, and will cause its subsidiaries not to, declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, other than (1) regular annual cash dividends payable by Cigna in respect of shares of Cigna common stock not exceeding, with respect to any year,

\$0.04 per share of Cigna common stock, with declaration, record and payment dates consistent with past practice and in accordance with Cigna's dividend policy as of the date of the merger agreement, (2) (a) (i) during each of the quarters ending March 31, 2016 and June 30, 2016, a quarterly

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cash dividend payable by Cigna in respect of shares of Cigna common stock not exceeding, with respect to such quarter, per share of Cigna common stock, the result of (x) the per share amount of any dividend declared with respect to Anthem common stock during such quarter in excess of \$0.625 (but, for the avoidance of doubt, only such excess) multiplied by (y) 0.5152, with customary declaration, record and payment dates and (ii) during each of the quarters ending September 30, 2016, December 31, 2016, and March 31, 2017, a quarterly cash dividend payable by Cigna in respect of shares of Cigna common stock not exceeding, with respect to such quarter, per share of Cigna common stock, the result of (x) the per share amount of any dividend declared with respect to Anthem common stock during such quarter multiplied by (y) 0.5152, with customary declaration, record and payment dates; provided that the first such quarterly dividend declared and paid in each of calendar year 2016 and calendar year 2017 shall be reduced by the Cigna annual dividend (if and to the extent such dividend has been declared) or (b) at Cigna's election, one or more special dividends (in an aggregate amount not to exceed the cumulative amount of any such permitted dividends minus the cumulative amount of any such declared dividends) and (3) dividends payable by a directly or indirectly wholly owned subsidiary of Cigna to Cigna or another directly or indirectly wholly owned subsidiary of Cigna.

Any former Cigna shareholder who holds the Anthem common stock into which Cigna common stock has been converted in connection with the merger will receive whatever dividends are declared and paid on Anthem common stock after completion of the merger. However, no dividend or other distribution having a record date after completion of the merger will actually be paid with respect to any Anthem common stock into which Cigna common stock has been converted in connection with the merger until the certificates formerly representing shares of Cigna common stock have been surrendered (or the book-entry shares formerly representing shares of Cigna common stock have been transferred) at which time (unless the payment date has yet to occur, in which case at the appropriate time) any accrued dividends and other distributions on those shares of Anthem common stock will be paid, without interest. Subject to the limitations set forth in the merger agreement, any future dividends by Anthem will be declared and paid at the discretion of the Anthem board of directors. Subject to the limitations set forth in the merger agreement, any future dividends by Cigna will be declared and paid at the discretion of the Cigna board of directors. There can be no assurance that any future dividends will be declared or paid by Anthem or Cigna or as to the amount or timing of those dividends, if any.

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**CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

Statements included in this joint proxy statement/prospectus that are not historical in nature are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. When used in this joint proxy statement/prospectus and in documents incorporated by reference into this joint proxy statement/prospectus, forward-looking statements include statements regarding financial estimates, regulatory approvals and the expected timing, completion and effects of the merger, future financial and operating results, the combined company's plans, expectations, beliefs, intentions and future strategies, and other statements that are not historical facts that are signified by the words anticipate, believe, estimate, expect, intend, may, objective, plan, project, possible, potential, should and similar expressions.

These statements regarding future events or the future performance or results of the combined company inherently are subject to a variety of risks, contingencies and other uncertainties that could cause actual results, performance or achievements to differ materially from those described in or implied by the forward-looking statements. The risks, contingencies and other uncertainties that could result in the failure of the merger to be completed or, if completed, that could have an adverse effect on the results of operations, cash flows and financial position of the combined company and any anticipated benefits of the merger to Anthem shareholders and Cigna shareholders, include:

the failure to obtain necessary regulatory or other approvals for the merger, or if obtained, the possibility of being subjected to conditions that could reduce the expected synergies and other benefits of the merger, result in a material delay in, or the abandonment of, the merger or otherwise have an adverse effect on Cigna, Anthem or the combined company;

the obligation to complete the merger even if financing is not available or is available on terms other than those currently anticipated, including financing less favorable to Anthem than its current commitments, due to the absence of a financing condition in connection with the merger;

the failure to satisfy required closing conditions or complete the merger in a timely manner;

the failure to obtain necessary Anthem shareholder approval for the share issuance and Cigna shareholder approval for the adoption of the merger agreement;

the effect of the announcement of the merger on the ability to retain and hire key personnel, maintain business relationships, and on operating results and businesses generally;

disruption from the proposed merger making it more difficult to maintain business and operational relationships;

the effect of restrictions placed on Anthem's, Cigna's or their respective subsidiaries' business activities and the limitations put on Anthem's and Cigna's ability to pursue alternatives to the merger pursuant to the merger

agreement;

the possibility of delay or prevention of the merger by lawsuits challenging the merger filed against Anthem, the members of the Anthem board of directors, Cigna or the members of the Cigna board of directors;

the uncertainty of the value of the merger consideration that Cigna shareholders will receive in the merger due to a fixed exchange ratio and a potential fluctuation in the market price of Anthem common stock;

the possibility of Cigna's directors and officers having interests in the merger that are different from, or in addition to, the interests of Cigna shareholders generally;

the possibility of changes in circumstances between the date of the signing of the merger agreement and the closing of the merger that will not be reflected in the fairness opinions obtained by the Anthem board of directors and the Cigna board of directors from their respective financial advisors;



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the effect of the substantial additional indebtedness that Anthem will incur in connection with the merger;

the possibility of actual results of operations, cash flows and financial position after the merger materially differing from the Anthem unaudited pro forma condensed combined financial statements;

the difference in rights provided to Cigna shareholders under Delaware law, the Cigna certificate of incorporation and the Cigna by-laws, as compared to the rights Cigna shareholders will obtain as Anthem shareholders under Indiana law, the Anthem articles of incorporation and the Anthem by-laws;

the possibility that the proposed merger does not close, including due to the failure to satisfy the closing conditions;

the failure to realize projected synergies and other benefits from the merger;

the incurrence of significant pre- and post-transaction related costs in connection with the merger;

the occurrence of any event giving rise to the right of a party to terminate the merger;

the occurrence of increased government participation in, or regulation or taxation of health benefits and managed care operations, including, but not limited to, the impact of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010;

trends in health care costs and utilization rates;

participation in the federal and state health insurance exchanges under the Health Care and Education Reconciliation Act of 2010, which have experienced and continue to experience challenges due to implementation of initial and phased-in provisions, and which entail uncertainties associated with the mix and volume of business, particularly in Individual and Small Group markets, that could negatively impact the adequacy of premium rates and which may not be sufficiently offset by the risk apportionment provisions of the Health Care and Education Reconciliation Act of 2010;

the inability to contract with providers consistent with past practice;

competitor pricing below market trends of increasing costs;

reduced enrollment, as well as a negative change in Anthem's health care product mix;

the risks and uncertainties regarding Medicare and Medicaid programs, including those related to non-compliance with the complex regulations imposed thereon and funding risks with respect to revenue received from participation therein;

a downgrade in Anthem's or Cigna's financial strength ratings;

litigation and investigations targeted at Anthem's industry and Anthem's and Cigna's ability to resolve litigation and investigations within estimates;

the non-compliance by either Anthem, Cigna or the respective counterparty to Anthem's or Cigna's pharmacy benefit management services agreements, which could result in financial penalties;

the inability to meet customer demands, and sanctions imposed by governmental entities, including the Centers for Medicare and Medicaid Services;

events that result in negative publicity for Anthem, Cigna or the health benefits industry;

failure to effectively maintain and modernize Anthem's and Cigna's information systems and e-business organization and to maintain good relationships with third party vendors for information system resources;

events that may negatively affect Anthem's licenses with the BCBSA;

the unauthorized disclosure of member or employee sensitive or confidential information, including the impact and outcome of investigations, inquiries, claims and litigation related to the cyber-attack Anthem reported in February 2015;

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changes in the economic and market conditions, as well as regulations that may negatively affect Anthem's or Cigna's investment portfolios and liquidity;

general risks associated with mergers and acquisitions;

various laws and provisions in the Anthem articles of incorporation, the Anthem by-laws and Anthem's licenses with the BCBSA that may prevent or discourage takeovers and business combinations;

future public health epidemics and catastrophes; and

general economic downturns.

For a further discussion of these and other risks, contingencies and uncertainties applicable to Anthem and Cigna, see the section entitled *Risk Factors* beginning on page 67 of this joint proxy statement/prospectus and in Anthem's and Cigna's other filings with the SEC incorporated by reference into this joint proxy statement/prospectus.

Due to these risks, contingencies and other uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus. Except as provided by federal securities laws, neither Anthem nor Cigna is required to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Anthem or Cigna or any person acting on its or their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Anthem and Cigna do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable federal securities law.

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**Table of Contents****RISK FACTORS**

*In addition to the other information contained or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled **Cautionary Information Regarding Forward-Looking Statements** beginning on page 64 of this joint proxy statement/prospectus, you should carefully consider the following risk factors in determining whether to vote for the adoption of the merger agreement or approval of the share issuance. You should also read and consider the risk factors associated with each of the businesses of Anthem and Cigna because these risk factors may affect the operations and financial results of the combined company. These risk factors may be found under Part I, Item 1A, **Risk Factors** in each company's Annual Report on Form 10-K for the year ended December 31, 2014, and under Part II, Item 1A, **Risk Factors** in each company's Quarterly Report on Form 10-Q for the quarterly periods ended June 30, 2015 and March 31, 2015, each of which is on file with the SEC and all of which are incorporated by reference into this joint proxy statement/prospectus.*

**Because the exchange ratio is fixed and the market price of Anthem common stock has fluctuated and will continue to fluctuate, you cannot be sure of the value of the merger consideration you will receive.**

Upon completion of the merger, each share of Cigna common stock outstanding immediately prior to the merger (other than (1) Cigna treasury shares, (2) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares of Cigna common stock that are owned by shareholders who have not voted in favor of the merger and who have properly demanded in writing appraisal for such shares pursuant to Section 262 of the DGCL and (4) shares of Cigna common stock subject to Cigna restricted stock awards) will be automatically converted into the right to receive (x) \$103.40 in cash, without interest, and (y) 0.5152 shares of Anthem common stock. Because the exchange ratio of 0.5152 of a share of Anthem common stock is fixed, the value of the stock portion of the merger consideration will depend on the market price of Anthem common stock at the time the merger is completed. The value of the stock portion of the merger consideration has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the dates of the Anthem special meeting and of the Cigna special meeting and the date the merger is completed and thereafter. Accordingly, at the time of the Cigna special meeting, Cigna shareholders will not know or be able to determine the market value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Anthem's and Cigna's respective businesses, operations and prospects, market assessments of the likelihood that the merger will be completed, the timing of the merger and regulatory considerations. Many of these factors are beyond Anthem's and Cigna's control. You are urged to obtain current market quotations for Anthem common stock in deciding whether to vote for the adoption of the merger agreement.

**The market price of shares of Anthem common stock after the merger may be affected by factors different from those affecting shares of Cigna common stock currently or that have historically affected shares of Cigna common stock.**

Upon completion of the merger, holders of Cigna common stock will become holders of Anthem common stock. The businesses of Anthem differ from those of Cigna in important respects and, accordingly, the results of operations of Anthem after the merger, as well as the market price of the Anthem common stock, may be affected by factors different from those currently affecting or that have historically affected the independent results of operations of Cigna. For further information on the businesses of Anthem and Cigna and certain factors to consider in connection with those businesses, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus.



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**After completion of the merger, Anthem may fail to realize the anticipated benefits and cost savings of the merger, which could adversely affect the value of Anthem common stock.**

The success of the merger will depend, in part, on Anthem's ability to realize the anticipated benefits and cost savings from combining the businesses of Anthem and Cigna. The ability of Anthem to realize these anticipated benefits and cost savings is subject to certain risks including:

Anthem's ability to successfully combine the businesses of Anthem and Cigna;

whether the combined businesses will perform as expected;

the possibility that Anthem paid more for Cigna than the value it will derive from the acquisition;

the reduction of Anthem's cash available for operations and other uses and the incurrence of indebtedness to finance the acquisition; and

the assumption of known and unknown liabilities of Cigna.

If Anthem is not able to successfully combine the businesses of Anthem and Cigna within the anticipated time frame, or at all, the anticipated cost savings and other benefits of the merger may not be realized fully or at all or may take longer to realize than expected, the combined businesses may not perform as expected and the value of the Anthem common stock (including the stock portion of the merger consideration) may be adversely affected.

Anthem and Cigna have operated and, until completion of the merger, will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key Anthem or Cigna employees, the disruption of either or both companies' ongoing businesses or in unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, issues that must be addressed in integrating the operations of Cigna and Anthem in order to realize the anticipated benefits of the merger so the combined business performs as expected include, among other things:

combining the companies' corporate functions;

integrating the companies' technologies and services;

identifying and eliminating redundant and underperforming operations and assets;

harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;

addressing possible differences in business backgrounds, corporate cultures and management philosophies;

consolidating the companies' corporate, administrative and information technology infrastructure;

coordinating sales, distribution and marketing efforts;

managing the movement of certain positions to different locations;

maintaining existing agreements with customers, providers and vendors and avoiding delays in entering into new agreements with prospective customers, providers and vendors;

coordinating geographically dispersed organizations; and

consolidating offices of Cigna and Anthem that are currently in or near the same location.

In addition, at times, the attention of certain members of either or both companies' management and resources may be focused on completion of the merger and the integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt each company's ongoing business and the business of the combined company.

**Table of Contents****Anthem and Cigna may have difficulty attracting, motivating and retaining executives and other key employees in light of the merger.**

Uncertainty about the effect of the merger on Anthem and Cigna employees may have an adverse effect on Anthem and Cigna and consequently the combined business. This uncertainty may impair Anthem's and Cigna's ability to attract, retain and motivate key personnel until the merger is completed. Employee retention may be particularly challenging during the pendency of the merger, as employees of Anthem and Cigna may experience uncertainty about their future roles with the combined business. Additionally, Cigna's officers and employees may hold shares of Cigna common stock or certain equity awards and, if the merger is completed, may therefore be entitled to the merger consideration in respect of such shares of Cigna common stock and cashed-out equity awards, the receipt of which could lead certain officers and employees to no longer pursue employment with the combined business. Additionally, pursuant to the Cigna Executive Severance Benefits Plan and the Cigna Long-Term Incentive Plan, key employees of Cigna are entitled to receive payments upon a qualifying termination of employment within the two-year period following completion of the merger. A key Cigna employee potentially could terminate his or her employment following specified circumstances set forth in the Cigna Executive Severance Benefits Plan and the Cigna Long-Term Incentive Plan, including material changes in a key employee's authority, duties or responsibility, any reduction in compensation or any changes in primary office location of more than 35 miles from such location on the date of the merger. Severance payments could lead those key employees to terminate employment with the combined business if there is a basis for them to claim that their employment was constructively terminated. Furthermore, if key employees of Anthem or Cigna depart, including because of issues relating to the uncertainty and difficulty of integration, financial security or a desire not to become employees of the combined business, Anthem may have to incur significant costs in identifying, hiring and retaining replacements for departing employees, and Anthem's ability to realize the anticipated benefits of the merger may be adversely affected. See the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Interests of Certain Cigna Directors and Executive Officers in the Merger* beginning on page 164 of this joint proxy statement/prospectus.

**In order to complete the merger, among other considerations described in this joint proxy statement/prospectus, Anthem and Cigna must make certain governmental filings and obtain certain governmental authorizations, and if such filings and authorizations are not made or granted or are granted with conditions that become applicable to the parties, completion of the merger may be jeopardized, may result in additional expenditures of money and resources or the anticipated benefits of the merger could be reduced.**

Completion of the merger is conditioned upon the expiration or early termination of the waiting period relating to the merger under the HSR Act and certain other applicable laws or regulations and certain specified necessary consents having been made or obtained and being in full force and effect, without the imposition of a burdensome term or condition as defined in the merger agreement and as further described in this joint proxy statement/prospectus. Although Anthem and Cigna have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to make certain governmental filings or obtain the necessary consents, as the case may be, there can be no assurance that the relevant waiting periods will expire or consents will be obtained. In addition, the governmental authorities with or from which these consents are required have broad discretion in administering the governing regulations and may take into account various facts and circumstances in their consideration of the merger, including other pending consolidation in the healthcare industry. As a condition to authorization of the merger or related transactions, these governmental authorities may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of Anthem's business after completion of the merger. These requirements, limitations, costs, divestitures and restrictions could jeopardize the completion of the merger.

Anthem's and Cigna's obligations to obtain the necessary consents (as such term is defined in the section entitled *The Merger Agreement Efforts to Complete the Mergers*) are subject to certain exceptions and limitations, including that



neither Anthem nor Cigna is obligated to agree to a burdensome term or condition

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which, is a term or condition that would have, or would reasonably be expected to have, individually or in the aggregate with all other such terms and conditions, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the mergers, including the synergies expected to be realized from the mergers. See the sections entitled *The Merger Agreement Conditions to the Merger* and *The Merger Agreement Efforts to Complete the Mergers* beginning on pages 202 and 198, respectively, of this joint proxy statement/prospectus.

**In addition to receipt of certain governmental authorizations and specified necessary consents, completion of the merger is subject to a number of other conditions, and if these conditions are not satisfied or waived (if permissible under applicable law), the merger will not be completed.**

The obligations of Anthem and Cigna to complete the merger are subject to the satisfaction or waiver (if permissible under applicable law) of a number of conditions in addition to receipt of specified necessary consents, including, among other conditions: (1) the adoption of the merger agreement by Cigna shareholders; (2) the approval of the share issuance by Anthem shareholders; and (3) the absence of a material adverse effect on either party (see the section entitled *The Merger Agreement Material Adverse Effect* beginning on page 188 of this joint proxy statement/prospectus for the definition of material adverse effect). For a more complete summary of the conditions that must be satisfied or waived (if permissible under applicable law), see the section entitled *The Merger Agreement Conditions to the Merger* beginning on page 202 of this joint proxy statement/prospectus. There can be no assurance that the conditions to the completion of the merger will be satisfied or waived (if permissible under applicable law) or that the merger will be completed.

In addition, the Anthem special meeting and the Cigna special meeting may take place before specified necessary consents have been obtained and, therefore, before the terms on which such necessary consents may be obtained, or the conditions to obtaining such necessary consents that may be imposed, are known. As a result, if Anthem shareholders approve the share issuance at the Anthem special meeting, or Cigna shareholders adopt the merger agreement at the Cigna special meeting, Anthem and Cigna may make decisions after the respective special meetings to waive a condition as to the receipt of specified necessary consents or take certain actions required to obtain such necessary consents without seeking further shareholder approval, and such actions could have an adverse effect on the combined company.

**Anthem's and Cigna's business relationships may be subject to disruption due to uncertainty associated with the merger.**

Parties with which Anthem or Cigna does business may experience uncertainty associated with the transaction, including with respect to current or future business relationships with Anthem, Cigna or the combined business. Anthem's and Cigna's business relationships may be subject to disruption as customers, providers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Anthem, Cigna or the combined business. These disruptions could have a material adverse effect on the businesses, financial condition, results of operations or prospects of the combined business, including a material adverse effect on Anthem's ability to realize the anticipated benefits of the merger. The effect of these disruptions could be exacerbated by a delay in completion of the merger or termination of the merger agreement.

**Certain Cigna directors and executive officers have interests in the merger that may be different from your interests as a shareholder of Cigna.**

When considering the recommendation of the Cigna board of directors that the Cigna shareholders vote in favor of the adoption of the merger agreement, you should be aware that certain Cigna directors and executive officers have

interests in the merger that may be different from, or in addition to, the interests of the Cigna shareholders generally. These include continued employment of certain executive officers of Cigna, rights to continuing indemnification and directors and officers liability insurance and payment pursuant to certain equity

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awards. See the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Interests of Certain Cigna Directors and Executive Officers in the Merger* beginning on page 164 of this joint proxy statement/prospectus for a more detailed description of these interests. The Cigna board of directors was aware of these interests and considered them, among other things, in evaluating and negotiating the merger agreement and the merger and in recommending that the Cigna shareholders adopt the merger agreement.

**The merger agreement limits Cigna's and Anthem's ability to pursue alternatives to the merger.**

The merger agreement contains provisions that make it more difficult both for Cigna to sell its business to a party other than Anthem and for Anthem to sell its business to a third party. These provisions include a general prohibition on Cigna and Anthem soliciting any acquisition proposal or offer for a competing transaction. Further, there are only limited exceptions to Cigna's agreement that the Cigna board of directors will not withdraw or modify in a manner adverse to Anthem the recommendation of the Cigna board of directors in favor of the adoption of the merger agreement and to Anthem's agreement that the Anthem board of directors will not withdraw or modify in a manner adverse to Cigna the recommendation of the Anthem board of directors in favor of the approval of the share issuance, and each of Anthem and Cigna generally has a right to match any competing acquisition proposals that may be made. However, at any time prior to the adoption of the merger agreement by the Cigna shareholders or the approval of the share issuance by the Anthem shareholders, as the case may be, the Cigna board of directors and the Anthem board of directors, as applicable, are permitted to take certain of these actions and, in certain circumstances, terminate the merger agreement if either board determines in good faith that the failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties to its respective shareholders, under applicable law, in order to concurrently enter into an agreement that constitutes a superior proposal; however, doing so could entitle the non-terminating party to a termination fee of \$1,850,000,000. See the sections entitled *The Merger Agreement No Solicitation of Alternative Transactions*, *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Fees and Expenses* beginning on pages 194, 204 and 206, respectively, of this joint proxy statement/prospectus.

While Cigna and Anthem believe these provisions are reasonable, customary and not preclusive of other offers, the provisions might discourage a third party that has an interest in acquiring all or a significant part of Cigna or Anthem from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per-share value than the currently proposed merger consideration, in the case of Cigna, or if that party were prepared to enter into an agreement that may be more favorable to Anthem or Anthem shareholders, in the case of Anthem. Furthermore, such termination fee may result in a potential competing acquiror proposing to pay a lower per-share price to acquire Cigna or Anthem, as applicable, than it might otherwise have proposed to pay because of the added expense of the \$1,850,000,000 termination fee that may become payable by either Cigna or Anthem, as applicable, in certain circumstances.

**Failure to complete the merger could negatively impact the stock price and the future business and financial results of Anthem and Cigna.**

If the merger is not completed, the ongoing businesses of Anthem and Cigna may be adversely affected and, without realizing any of the benefits of having completed the merger, Anthem and Cigna would be subject to a number of risks, including the following:

Anthem and Cigna may experience negative reactions from the financial markets, including negative impacts on their respective stock and bond prices, and from their respective customers, providers, vendors, regulators

and employees;

either Anthem or Cigna may be required to pay a termination fee of \$1,850,000,000 if the merger is terminated under certain circumstances (see the section entitled *The Merger Agreement Fees and Expenses* beginning on page 206 of this joint proxy statement/prospectus);

Anthem and Cigna will be required to pay certain costs relating to the merger, whether or not the merger is completed;

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the merger agreement places certain restrictions on the conduct of Cigna's and Anthem's businesses prior to completion of the merger or the termination of the merger agreement. Such restrictions, the waiver of which is subject to the consent of the other party (in most cases, not to be unreasonably withheld, conditioned or delayed), may prevent Cigna or Anthem from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the merger (see the section entitled *The Merger Agreement Conduct of Business* beginning on page 190 of this joint proxy statement/prospectus for a description of the restrictive covenants applicable to Cigna); and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by Anthem and Cigna management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to either Anthem or Cigna as an independent company.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may adversely affect Anthem's and Cigna's businesses, financial condition, financial results and stock or bond prices.

In addition, Anthem and Cigna could be subject to litigation related to any failure to complete the merger or related to any enforcement proceeding commenced against Anthem or Cigna to perform their respective obligations under the merger agreement. If the merger is not completed, these risks may materialize and may adversely affect Anthem's and Cigna's business, financial condition, financial results and stock or bond prices.

**The shares of Anthem common stock to be received by Cigna shareholders upon completion of the merger will have different rights from shares of Cigna common stock.**

Upon completion of the merger, Cigna shareholders will no longer be shareholders of Cigna, a Delaware corporation, but will instead become shareholders of Anthem, an Indiana corporation, and their rights as Anthem shareholders will be governed by Indiana law and the terms of the Anthem articles of incorporation and the Anthem by-laws. Indiana law and the terms of the Anthem articles of incorporation and the Anthem by-laws are in some respects materially different than Delaware law and the terms of the Cigna certificate of incorporation and the Cigna by-laws, which currently govern the rights of Cigna shareholders. See the section entitled *Comparison of Shareholders' Rights* beginning on page 218 of this joint proxy statement/prospectus for a discussion of the different rights associated with Anthem common stock.

**After the merger, current Anthem shareholders and Cigna shareholders will have a significantly lower ownership and voting interest in the combined company and will exercise less influence over management of the combined company than each have with respect to their respective companies currently.**

Based on the number of shares of Cigna common stock outstanding as of October 22, 2015, the Cigna record date, and the number of shares of Anthem common stock outstanding as of October 22, 2015, the Anthem record date, it is expected that, immediately after completion of the merger, former Cigna shareholders will own approximately 33% of the outstanding shares of Anthem common stock. Consequently, current Anthem shareholders in the aggregate will have less influence over the management and policies of Anthem than they currently have over the management and policies of Anthem, and Cigna shareholders in the aggregate will have less influence over the management and policies of Anthem than they currently have over the management and policies of Cigna.

**Lawsuits have been filed and other lawsuits may be filed against Cigna, the Cigna board of directors and Anthem challenging the merger. An adverse ruling in any such lawsuit may prevent the merger from being completed.**

Following announcement of the merger, six putative class action complaints, which we collectively refer to as the complaints in this joint proxy statement/prospectus, were filed by purported Cigna shareholders on

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behalf of a purported class of Cigna shareholders. Five of the complaints, *Leach v. Cigna Corp., et al.*, Civil Action No. 11354-CB, *Copelli v. Cordani, et al.*, Civil Action No. 11373-CB, *Patel v. Cigna Corp., et al.*, Civil Action No. 11377-CB, *Messenger v. Cigna Corp., et al.*, Civil Action No. 11383-CB and *Litwin v. Cigna Corp., et al.*, Civil Action No. 11396-CB were filed in the Court of Chancery of the State of Delaware. The sixth complaint, *Solak v. Cordani, et al.*, Civil Action No. HHD-CV-15-6061337-S, was filed in the Connecticut Superior Court, Judicial District of Hartford.

The complaints name as defendants various combinations of Cigna, members of the Cigna board of directors, Anthem, and Merger Sub. The complaints generally assert that the members of the Cigna board of directors breached their fiduciary duties to the Cigna shareholders during merger negotiations and by entering into the merger agreement and approving the merger, and that Cigna, Anthem and Merger Sub aided and abetted such breaches of fiduciary duties. The complaints further allege that, among other things, (1) the merger consideration undervalues Cigna, (2) the sales process leading up to the merger was flawed due to purported conflicts of interest of members of the Cigna board of directors and (3) certain provisions of the merger agreement inappropriately favor Anthem and inhibit competing bids. The complaints seek, among other things, (1) injunctive relief enjoining the merger, (2) rescission of the merger agreement to the extent already implemented and (3) costs and damages.

The defendants believe that the claims asserted against them in the complaints are without merit and intend to defend the litigation vigorously. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

See the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Litigation Relating to the Merger* beginning on page 179 of this joint proxy statement/prospectus for more information about the lawsuits related to the merger that have been filed prior to the date of this joint proxy statement/prospectus. Lawsuits challenging the merger could prevent the merger from being completed, or could result in a material delay in, or the abandonment of, the merger.

One of the conditions to completion of the merger is the absence of any applicable law (including any order) being in effect that prohibits completion of the mergers. Accordingly, if a plaintiff is successful in obtaining an order prohibiting completion of the merger, then such order may prevent the merger from being completed, or from being completed within the expected timeframe.

**The indebtedness of Anthem following completion of the merger will be substantially greater than Anthem's indebtedness on a stand-alone basis and greater than the combined indebtedness of Anthem and Cigna existing prior to the transaction. This increased level of indebtedness could adversely affect Anthem, including by decreasing Anthem's business flexibility, and will increase its borrowing costs. Downgrades in Anthem's ratings could adversely affect Anthem's businesses, cash flows, financial condition and operating results.**

Upon completion of the merger, Anthem expects to have incurred acquisition-related debt financing of approximately \$26.5 billion and to have assumed approximately \$5.1 billion of Cigna's outstanding debt. Anthem's substantially increased indebtedness and higher debt-to-equity ratio following completion of the merger in comparison to that of Anthem on a recent historical basis will have the effect, among other things, of reducing Anthem's flexibility to respond to changing business and economic conditions and will increase Anthem's borrowing costs. In addition, the amount of cash required to service Anthem's increased indebtedness levels and thus the demands on Anthem's cash resources may be greater than the percentages of cash flows required to service the indebtedness of Anthem or Cigna individually prior to the transaction. The increased levels of indebtedness could also reduce funds available for Anthem's investments in product development as well as capital expenditures, share repurchases and other activities and may create competitive disadvantages for Anthem relative to other companies with lower debt levels.





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In addition, Anthem's credit ratings could impact the cost and availability of future borrowings, and, as a result, Anthem's cost of capital. Anthem's ratings reflect each organization's opinion of Anthem's financial strength, operating performance and ability to meet Anthem's debt obligations or obligations to Anthem's insureds. Each of the ratings organizations reviews Anthem's ratings periodically, and there can be no assurance that Anthem's current ratings will be maintained in the future. Following the announcement of the merger, each of Standard & Poor's, A.M. Best, Fitch and Moody's placed certain of Anthem's debt, financial strength and other credit ratings under review for a possible downgrade. Downgrades in Anthem's ratings could adversely affect Anthem's businesses, cash flows, financial condition and operating results.

**Anthem will incur significant transaction and merger-related costs in connection with the merger.**

Anthem expects to incur a number of non-recurring costs associated with the merger and combining the operations of the two companies. The substantial majority of non-recurring expenses resulting from the merger will be comprised of transaction costs related to the merger. Anthem also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. Anthem continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies' businesses. Although Anthem expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow Anthem to offset incremental integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

**The merger may not be accretive, and may be dilutive, to Anthem's operating earnings per share, which may negatively affect the market price of Anthem common stock.**

Anthem currently projects that the merger will be modestly accretive to operating earnings per share in the year the merger is completed, excluding transaction and integration costs. This projection is based on preliminary estimates that may materially change. In addition, future events and conditions could decrease or delay the accretion that is currently projected or could result in dilution, including adverse changes in market conditions, additional transaction and integration related costs and other factors such as the failure to realize some or all of the benefits anticipated in the merger. Any dilution of, or decrease or delay of any accretion to, Anthem's earnings per share could cause the price of Anthem common stock to decline or grow at a reduced rate.

**The Anthem unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus are preliminary and the actual results of operations, cash flows and financial position after the merger may differ materially.**

The Anthem unaudited pro forma condensed combined financial statements in this joint proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what Anthem's actual results of operations, cash flows and financial position would have been had the merger been completed on the dates indicated. The Anthem unaudited pro forma condensed combined financial statements reflect adjustments, which are based upon preliminary estimates, to record the Cigna identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The merger purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Cigna that are acquired in the merger as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see the section entitled *Anthem Unaudited Pro Forma Condensed Combined Financial Data* beginning on page 38 of this joint proxy statement/prospectus.



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**Anthem's license agreements with the BCBSA contain certain requirements which will be impacted by the merger. Upon completion of the merger, Anthem may not initially be in compliance with the BCBSA's national best efforts standards.**

Anthem's license agreements with the BCBSA include certain requirements, including a requirement that at least 66-2/3% of its annual combined national net revenue, as defined by the BCBSA, attributable to health care plans and related services must be sold, marketed, administered or underwritten under the Blue Cross and Blue Shield names and marks, referred to as the National Best Efforts Requirements in this joint proxy statement/prospectus. Due to the size of Cigna's business, Anthem may not be in compliance with the National Best Efforts Requirements immediately after completion of the merger.

Anthem will be required to submit to the BCBSA within 120 days of completion of the merger, an action plan for coming back into compliance with the National Best Efforts Requirements if it is in non-compliance as a result of the merger. Under current BCBSA standards, Anthem would have to come back into compliance with the National Best Efforts Requirements no later than 24 months from when the relevant BCBSA committee makes a determination on Anthem's action plan for coming back into compliance. Anthem believes there are multiple options at its disposal to re-establish compliance with the National Best Efforts Requirements well within the allotted timeframe, if necessary, including rebranding Cigna health care plans and related services so they are sold, marketed, administered or underwritten under the Blue Cross and Blue Shield names and marks, ceding national Cigna accounts from other Blue Cross and Blue Shield member plans to Anthem or divesting certain business. Although Anthem strongly believes there would be numerous ways in which it could come back into compliance with the National Best Efforts Requirements within the required 24 month period, there can be no guarantee such efforts will be successful and failure to comply with the National Best Efforts Requirements can ultimately result in a termination of Anthem's license agreements with the BCBSA under certain circumstances. In addition, the standards under Anthem's license agreements may be modified in certain instances by the BCBSA. To the extent any such modifications are adopted in the future, they could have a material adverse effect on Anthem's ability to come back into compliance with the National Best Efforts Requirements.

In the event that Anthem's license agreements with the BCBSA were terminated, Anthem would no longer have the right to use the Blue Cross and Blue Shield names and marks or to sell Blue Cross and Blue Shield health insurance products and services in one or more of its service areas, which would have a material adverse effect on Anthem's business. Furthermore, the BCBSA would be free to issue a license to use the Blue Cross and Blue Shield names and marks in these service areas to another entity. Anthem's existing Blue Cross and Blue Shield members would be provided with instructions for obtaining alternative products and services licensed by the BCBSA. Upon termination of a license agreement, the BCBSA would have the right to impose a Re-Establishment Fee upon Anthem, which would be used in part to fund the establishment of a replacement Blue Cross and/or Blue Shield licensee in the vacated service areas. The fee is set at \$98.33 per licensed enrollee. As of December 31, 2014, Anthem reported 28.6 million Blue Cross and/or Blue Shield enrollees. If the Re-Establishment Fee was applied to Anthem's total Blue Cross and/or Blue Shield enrollees, Anthem would be assessed a fee of approximately \$2.8 billion by the BCBSA. Accordingly, termination of the license agreements would have a material adverse effect on Anthem's business, financial condition and results of operations.

**The pending merger could potentially inhibit Anthem's ability to successfully defend against the *In re Blue Cross Blue Shield Antitrust Litigation*.**

Anthem is a defendant in multiple lawsuits that were initially filed in 2012 against the BCBSA as well as Blue Cross and/or Blue Shield licensees across the country. The cases were consolidated into a single multi-district lawsuit called *In re Blue Cross Blue Shield Antitrust Litigation* that is pending in the United States District Court for the Northern

District of Alabama. Generally, the suits allege that the BCBSA and the Blue Cross and Blue Shield plans have engaged in a conspiracy to horizontally allocate geographic markets through license agreements, best efforts rules (which limit the percentage of non- Blue Cross and Blue Shield revenue of

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each plan), restrictions on acquisitions and other arrangements in violation of the Sherman Antitrust Act and related state laws. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers. Subscriber and provider plaintiffs each filed consolidated amended complaints on July 1, 2013. The consolidated amended subscriber complaint was also brought on behalf of putative state classes of health plan subscribers in Alabama, Arkansas, California, Florida, Hawaii, Illinois, Louisiana, Michigan, Mississippi, Missouri, New Hampshire, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, and Texas. Defendants filed motions to dismiss in September 2013, which were argued in April 2014. In June 2014, the court denied the majority of the motions, ruling that plaintiffs had alleged sufficient facts at this stage of the litigation to avoid dismissal of their claims. Following the subsequent filing of amended complaints by each of the subscriber and provider plaintiffs, Anthem filed its answer and asserted its affirmative defenses in December 2014. Discovery has commenced and a mediator has been selected to assist in facilitating potential settlement of the litigation. Although Anthem intends to continue to vigorously defend these suits, their ultimate outcome cannot be presently determined. In addition, while Anthem does not believe that the pending merger with Cigna should have any detrimental effect on Anthem's ability to successfully defend these suits, there can be no assurances that the pending merger will not increase Anthem's risk in that regard.

**If the mergers do not qualify as a reorganization under Section 368(a) of the Internal Revenue Code, holders of Cigna common stock will be required to pay U.S. federal income taxes on the entire amount of their gain from the exchange of Cigna common stock for Anthem common stock and cash in the merger.**

Anthem and Cigna intend for the mergers, taken together, to be treated as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. However, it is not a condition to Cigna's obligation or Anthem's obligation to complete the transactions that the mergers, taken together, be treated as a reorganization. If the second merger does not occur or if the IRS successfully challenges the treatment of the mergers as a reorganization within the meaning of Section 368(a) of the Code, a holder of Cigna common stock would recognize the entire amount of taxable gain or loss from the exchange of Cigna common stock for Anthem common stock and cash in the merger. See the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement* Material U.S. Federal Income Tax Consequences of the Merger beginning on page 172 of this joint proxy statement/prospectus.

**The future results of the combined company may be adversely impacted if the combined company does not effectively manage its expanded operations following the completion of the merger.**

Following the completion of the merger, the size of the combined company's business will be significantly larger than the current size of either Anthem's or Cigna's respective businesses. The combined company's ability to successfully manage this expanded business will depend, in part, upon management's ability to design and implement strategic initiatives that address not only the integration of two discrete companies, but also the increased scale and scope of the combined business with its associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings and other benefits currently anticipated from the merger.

**The market price of the combined company's common stock may be affected by factors different from those affecting the price of Anthem common stock or Cigna common stock.**

Upon completion of the merger, holders of Anthem common stock and Cigna common stock will be holders of Anthem common stock. As the businesses of Anthem and Cigna are different, the results of operations as well as the price of the combined company's common stock may in the future be affected by factors different from those factors affecting Anthem and Cigna as independent stand-alone companies. The combined company will face additional risks

and uncertainties that Anthem or Cigna may currently not be exposed to as independent companies.

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**Risks relating to Anthem and Cigna.**

Anthem and Cigna are, and following completion of the merger Anthem will continue to be, subject to the risks described in (1) Part I, Item 1A in Anthem's Annual Report on Form 10-K for the year ended December 31, 2014, and filed with the SEC on February 24, 2015, (2) Part II, Item 1A in Anthem's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, and filed with the SEC on July 29, 2015, (3) Part II, Item 1A in Anthem's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, and filed with the SEC on April 29, 2015, (4) Part I, Item 1A in Cigna's Annual Report on Form 10-K for the year ended December 31, 2014, and filed with the SEC on February 26, 2015, (5) Part II, Item 1A in Cigna's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, and filed with the SEC on July 30, 2015, and (6) Part II, Item 1A in Cigna's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015, and filed with the SEC on April 30, 2015, in each case, incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus.



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**Table of Contents****THE COMPANIES****Anthem, Inc.**

120 Monument Circle

Indianapolis, Indiana 46204

(317) 488-6000

Anthem is one of the largest health benefits companies in terms of medical membership in the United States, serving 38.5 million medical members through its affiliated health plans as of June 30, 2015. Anthem is an independent licensee of the BCBSA, an association of independent health benefit plans. Anthem serves its members as the Blue Cross licensee for California and as the BCBS licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as BCBS in 10 New York City metropolitan and surrounding counties, and as Blue Cross or BCBS in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. In a majority of these service areas Anthem does business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia, and Empire Blue Cross Blue Shield, or Empire Blue Cross (in its New York service areas). Anthem also conducts business through arrangements with other BCBS licensees in the states of South Carolina and Texas. Anthem conducts business through its AMERIGROUP Corporation, or Amerigroup, subsidiary, in Florida, Georgia, Kansas, Louisiana, Maryland, Nevada, New Jersey, New Mexico, New York, Tennessee, Texas and Washington. Anthem conducts business through its recently acquired Simply Healthcare Holdings, Inc. subsidiary in the state of Florida. Anthem also serves customers throughout the country as HealthLink, UniCare (including a non-risk arrangement with the state of Massachusetts), and in certain Arizona, California, Nevada, New York and Virginia markets through its CareMore Health Group, Inc., or CareMore, subsidiary. Anthem is licensed to conduct insurance operations in all 50 states through its subsidiaries.

Anthem offers a broad spectrum of network-based managed care plans to large and small employer, individual, Medicaid and Medicare markets. Anthem's managed care plans include: preferred provider organizations, or PPOs; health maintenance organizations, or HMOs; point-of-service, or POS, plans; traditional indemnity plans and other hybrid plans, including consumer-driven health plans, or CDHPs; and hospital only and limited benefit products. In addition, Anthem provides a broad array of managed care services to self-funded customers, including claims processing, underwriting, stop loss insurance, actuarial services, provider network access, medical cost management, disease management, wellness programs and other administrative services. Anthem provides an array of specialty and other insurance products and services such as dental, vision, life and disability insurance benefits, radiology benefit management and analytics-driven personal health care. Anthem also provides services to the federal government in connection with the Federal Employee Program, or FEP.

Anthem's managed care plans and products are designed to encourage providers and members to participate in quality, cost-effective health benefit programs by using the full range of Anthem's innovative medical management services, quality initiatives and financial incentives. Anthem's high business retention rates enable it to realize the long-term benefits of investing in preventive and early detection programs. Anthem's ability to provide cost-effective health benefits products and services is enhanced through a disciplined approach to internal cost containment, prudent management of its risk exposure and successful integration of acquired businesses. In addition, Anthem's ability to manage selling, general and administrative costs continues to be a driver of its overall profitability.

Anthem's common stock is listed on the NYSE under the symbol **ANTM**.



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For more information on Anthem, see the section entitled *Where You Can Find More Information* on page 241 of this joint proxy statement/prospectus.

### **Cigna Corporation**

900 Cottage Grove Road

Bloomfield, Connecticut 06002

(860) 226-6000

Cigna, together with its subsidiaries, is a global health services organization dedicated to a mission of helping individuals improve their health, well-being and sense of security. To execute on its mission, Cigna's strategy is to **Go Deep**, **Go Global** and **Go Individual** with a differentiated set of medical, dental, disability, life and accident insurance and related products and services offered by its subsidiaries. They:

**GO DEEP** by targeting key segments and geographies;

**GO GLOBAL** with solutions that leverage its capabilities in a borderless environment; and

**GO INDIVIDUAL** to better understand and satisfy the holistic needs of each person they serve.

In an increasingly retail oriented marketplace, Cigna delivers affordable and personalized products and services to customers through employer-based, government-sponsored and individual coverage arrangements. Cigna increasingly collaborates with health care providers to transition from volume-based fee for service arrangements toward a more value-based system designed to increase quality of care, lower costs and improve health outcomes. Cigna operates a customer-centric organization enabled by keen insights regarding customer needs, localized decision-making and talented professionals committed to bringing Cigna's **Together All the Way** brand promise to life.

Cigna's common stock is listed on the NYSE under the symbol **CI**.

For more information on Cigna, see the section entitled *Where You Can Find More Information* on page 241 of this joint proxy statement/prospectus.

### **Anthem Merger Sub Corp.**

120 Monument Circle

Indianapolis, Indiana 46204

(317) 488-6000

Merger Sub is a Delaware corporation and a direct wholly owned subsidiary of Anthem. Merger Sub was formed exclusively for the purpose of completing the merger. At the effective time of the merger, Merger Sub will be merged with and into Cigna, with Cigna as the initial surviving corporation. Merger Sub has not carried on any activities to

date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

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**ANTHEM SPECIAL MEETING**

*Anthem is providing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the Anthem special meeting (or any adjournment or postponement of the Anthem special meeting). This joint proxy statement/prospectus contains important information for you to consider when deciding how to vote on the matter brought before the Anthem special meeting. Please read it carefully and in its entirety.*

**Date, Time and Place**

The date, time and place of the Anthem special meeting are set forth below:

Date: Thursday, December 3, 2015

Time: 8:00 a.m. (Eastern Time)

Place: Conrad Hotel at 50 West Washington Street, Indianapolis, Indiana 46204

You must have an admission ticket, as well as a form of government-issued photo identification, in order to be admitted to the Anthem special meeting. If you are an Anthem shareholder of record and received a printed copy of Anthem's proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the Anthem special 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 Anthem common stock as of the close of business on the Anthem record date of October 22, 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 common stock held by you on the Anthem record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the close of business on the Anthem record date.

If you wish to appoint a representative to attend the Anthem special 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 the admission ticket portion of your proxy card if you are an Anthem shareholder of record, or your proof of ownership if you are a beneficial owner, and the address where the admission ticket should be sent. An Anthem shareholder may only appoint one representative. Requests from Anthem 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 November 25, 2015, may not be able to be processed in time to allow you to receive your admission ticket before the date of the Anthem special meeting so you should mail your request early.**

No cameras, recording equipment, electronic devices, large bags, briefcases, signs or packages will be permitted in the Anthem special 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 Anthem special meeting may be required to pass through a metal detector or be subject to a hand wand search. Anthem will be unable to admit anyone who does not comply with these security procedures. No one will be admitted to the Anthem special meeting once the Anthem special meeting has commenced.



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### **Purpose**

At the Anthem special meeting, Anthem shareholders will vote on:

the approval of the share issuance; and

the approval of the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

The approval of the share issuance by Anthem shareholders is a condition to the obligations of Anthem and Cigna to complete the merger. The approval of the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting is not a condition to the obligations of Anthem or Cigna to complete the merger.

### **Recommendation of the Anthem Board of Directors**

After consideration and consultation with its advisors, the Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement (1) determined that the share issuance is in the best interests of Anthem and Anthem shareholders, and (2) approved the merger agreement and the transactions contemplated thereby, including the mergers and the share issuance. The Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement recommends that Anthem shareholders vote **FOR** the share issuance and **FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. See the sections entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Anthem's Reasons for the Merger; Recommendation of the Anthem Board of Directors* and *Anthem Proposal II: Adjournment of Anthem Special Meeting* beginning on pages 116 and 210, respectively, of this joint proxy statement/prospectus for a more detailed discussion of the recommendation of the Anthem board of directors.

### **Anthem Record Date; Outstanding Shares; Shareholders Entitled to Vote**

The Anthem board of directors has fixed the close of business on October 22, 2015, as the Anthem record date, for determination of the Anthem shareholders entitled to vote at the Anthem special meeting and any adjournment or postponement thereof. Only Anthem shareholders of record on the Anthem record date are entitled to receive notice of, and to vote at, the Anthem special meeting or any adjournment or postponement thereof.

As of the close of business on the Anthem record date, there were 260,983,596 shares of Anthem common stock outstanding and entitled to vote at the Anthem special meeting. Each outstanding share of Anthem common stock is entitled to one vote.

An alphabetical list of the names of all Anthem shareholders of record at the close of business on the Anthem record date will be available for inspection by any Anthem shareholder of record during regular business hours at Anthem's executive offices and principal place of business at 120 Monument Circle, Indianapolis, Indiana 46204, beginning five business days before the date of the Anthem special meeting. This list will also be available at the Anthem special meeting for examination by Anthem shareholders present at the Anthem special meeting.

**Quorum**

In order for business to be conducted at the Anthem special meeting, 25% of the votes entitled to be cast on a matter, represented in person or by proxy, must be present. Abstentions are included in determining whether a quorum is present. If your shares are held in street name and you provide your broker, bank or other nominee with voting instructions, then your shares will be included in determining whether a quorum is present. If your



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shares are held in street name and you do not provide your broker, bank or other nominee with voting instructions, then your shares will not be included in determining whether a quorum is present.

### **Required Vote**

To approve the share issuance, the votes cast **FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. **Anthem cannot complete the merger unless its shareholders approve the share issuance.** Because this proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote to approve the share issuance. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to approve the share issuance.

To approve the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting, the votes cast **FOR** such proposal at the Anthem special meeting must exceed the votes cast **AGAINST** such proposal. Because this proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the Anthem special meeting, an abstention will have no effect on the outcome of any vote on the proposal to adjourn the Anthem special meeting. A broker non-vote or other failure to vote will similarly have no effect on the outcome of any vote to adjourn the Anthem special meeting.

### **Share Ownership of and Voting by Anthem Directors and Executive Officers**

As of the close of business on the Anthem record date, Anthem's directors and executive officers and their affiliates beneficially owned and were entitled to vote, in the aggregate, less than 1% of the shares of Anthem common stock entitled to vote at the Anthem special meeting. It is expected that Anthem's directors and executive officers and their affiliates will vote their shares **FOR** the share issuance and **FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

### **Voting of Shares**

If you are an Anthem shareholder of record, you may submit your proxy or vote your shares of Anthem common stock on the matters presented at the Anthem special meeting in any of the following ways:

**Over the Internet.** You may vote over the Internet by going to [www.envisionreports.com/antm](http://www.envisionreports.com/antm) and following the instructions. You will need to have your proxy card or voting instruction card, available when voting over the Internet. If you want to vote over the Internet, you must do so before 11:59 p.m., Eastern Time, on December 2, 2015. **If you vote over 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 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 Time, on December 2, 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 other nominee and mailing it in a postage-prepaid envelope. If you are an Anthem shareholder of record, you may vote by signing and dating your proxy card or voting instruction card and mailing it in a postage-prepaid envelope.

***In person.*** You may attend the Anthem special meeting and vote in person.

If your shares of Anthem common stock are registered directly in your name with Anthem's transfer agent, Computershare, then you are considered to be the Anthem shareholder of record with respect to those shares, and this joint proxy statement/prospectus and the accompanying proxy materials are being sent directly to you by Anthem.

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If your shares are held in the name of a broker, bank or other nominee, then you are considered to hold those shares in street name and to be the beneficial owner of such shares. If you are a beneficial owner, then this joint proxy statement/prospectus and the accompanying proxy materials are being forwarded to you by your broker, bank or other nominee who is considered the Anthem shareholder of record with respect to the shares.

You may vote in person at the Anthem special meeting or you may designate another person your proxy to vote your shares of Anthem common stock. The written document used to designate someone as your proxy also is called a proxy or proxy card. Anthem urges you to submit a proxy to have your shares of Anthem common stock voted even if you plan to attend the Anthem special meeting. You can always change your vote at the Anthem special meeting.

If you are an Anthem shareholder of record, then you can vote your shares by any of the methods described above. If you are a beneficial owner and hold your shares in street name, you will receive separate instructions from your broker, bank or other nominee describing how to vote your shares. Those instructions will identify which of the above methods are available to you in order to have your shares voted.

If you plan to attend the Anthem special meeting and vote in person and you are an Anthem shareholder of record, then you will receive a ballot when you arrive. However, if you hold your shares in street name, then you must bring a legal proxy, executed in your favor, from the Anthem shareholder of record to the Anthem special meeting.

If you participate in the Anthem 401(k) Plan and you are invested in the Anthem common stock fund in your account, you may give voting instructions to the plan trustee as to the number of shares of Anthem common stock equivalent to the interest in the Anthem common stock fund credited to your account as of the most recent valuation date coincident with or preceding the Anthem record date. The trustee will vote your shares in accordance with your instructions received by December 1, 2015, at 11:59 p.m., Eastern Time. You may also revoke previously given voting instructions by December 1, 2015, at 11:59 p.m., Eastern 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.

You may specify whether your shares should be voted for or against, or whether you abstain from voting with respect to, the share issuance and the proposal to adjourn the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

Shares of Anthem common stock represented by proxies received by Anthem (whether through the return of the enclosed proxy card, by telephone or over the Internet), where the Anthem shareholder has specified his or her choice with respect to the proposals described in this joint proxy statement/prospectus will be voted in accordance with the specification so made. If you are an Anthem shareholder of record and you do not vote your proxy, no votes will be cast on your behalf on the proposals at the Anthem special meeting. If you sign and return your proxy card without specific voting instructions, or if you vote by telephone or over the Internet without indicating how you want to vote, your shares will be voted **FOR** the share issuance and **FOR** the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting. If you indicate, however, that you wish to vote against the share issuance, your shares of Anthem common stock will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

The Anthem board of directors does not intend to bring any matter before the Anthem special meeting other than that set forth above, and the Anthem board of directors is not aware of any matters that anyone else proposes to present for action at the Anthem special meeting.

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**Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the Anthem special meeting in person, please submit a proxy as promptly as possible, so that your shares may be represented and voted at the Anthem special meeting. If your shares are held in street name by your broker, bank or other nominee, please follow the instructions on the voting instruction card furnished to you by your broker, bank or other nominee.**

### **Revocability of Proxies; Changing Your Vote**

You may revoke your proxy at any time prior to the Anthem special meeting. If you provide more than one proxy, the proxy having the latest date will revoke any earlier proxy. If you attend the Anthem special meeting and you are an Anthem 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 broker, bank or other nominee in order to vote in person.**

### **Solicitation of Proxies; Expenses of Solicitation**

This joint proxy statement/prospectus is being provided to Anthem shareholders in connection with the solicitation of proxies by the Anthem board of directors to be voted at the Anthem special meeting and at any adjournments or postponements of the Anthem special meeting. Anthem will bear all costs and expenses in connection with the solicitation of proxies from its shareholders, except that Cigna and Anthem have agreed to each pay one half of the costs and expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus (other than the fees and expenses of each party's attorneys and accountants, which shall be paid by the party incurring such fees and expenses).

Proxies may be solicited on Anthem's behalf by Anthem's directors, officers, employees and agents by telephone, electronic or facsimile transmission or in person. Anthem will enlist the help of banks and brokerage houses in soliciting proxies from their customers and reimburse them for their related out-of-pocket expenses. Anthem has also made arrangements with MacKenzie Partners, Inc. to assist in soliciting proxies and in communicating with Anthem shareholders. Anthem will pay MacKenzie Partners, Inc. reasonable and customary compensation plus reasonable out-of-pocket fees and expenses for these services.

### **Householding**

Anthem shareholders who share the same last name and address may receive only one set of proxy materials (other than proxy cards, which will remain separate) unless Anthem receives contrary instructions from any Anthem shareholder at that address. This is referred to as householding. If you prefer to receive multiple copies of Anthem's proxy materials 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 Anthem's proxy materials, you may request that you receive only one copy. Please address requests for a copy of Anthem's proxy materials to Secretary, Anthem, Inc., 120 Monument Circle, Mail No. IN0102-B381, Indianapolis, Indiana 46204 or by telephone at (800) 985-0999.

### **Adjournment**

Although it is not currently expected, the Anthem special meeting may be adjourned, including for the purpose of soliciting additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting or if less than a quorum is present in person or represented by proxy at the Anthem special meeting. Other than an announcement to be made at the Anthem special meeting of the time, date and place of an adjourned meeting, an adjournment generally may be made without notice, unless a new record date is or must be established for

the adjourned meeting. Any adjournment of the Anthem special meeting for the purpose of soliciting additional proxies will allow Anthem shareholders who have already sent in their proxies to revoke them at any time prior to their use at the Anthem special meeting as adjourned.

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### **Tabulation of Votes; Results**

Computershare has been appointed inspector of election for the Anthem special meeting. The inspector of election will determine the number of shares outstanding, the shares represented at the Anthem special 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 Anthem shareholder is held in confidence, except (1) as necessary to meet applicable legal requirements and to assert or defend claims for or against Anthem; (2) if there is a contested proxy solicitation; (3) if an Anthem shareholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or (4) 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.

### **Other Information**

The matter to be considered at the Anthem special meeting is of great importance to Anthem shareholders. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this joint proxy statement/prospectus and submit your proxy over the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope. **If you submit your proxy over the Internet or by telephone, you do not need to return the enclosed proxy card.**

### **Assistance**

**If you need assistance in completing your proxy card or have questions regarding the Anthem special meeting, please contact:**

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Telephone (Toll-Free): (800) 322-2885

Telephone (Collect): (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

or

Anthem, Inc.

120 Monument Circle

Mail No. IN0102-B381

Edgar Filing: CIGNA CORP - Form DEFM14A

Indianapolis, Indiana 46204

Attention: Secretary

Telephone: (800) 985-0999

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**CIGNA SPECIAL MEETING**

*Cigna is providing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the Cigna special meeting (or any adjournment or postponement of the Cigna special meeting). This joint proxy statement/prospectus contains important information for you to consider when deciding how to vote on the matters brought before the Cigna special meeting. Please read it carefully and in its entirety.*

**Date, Time and Place**

The date, time and place of the Cigna special meeting are set forth below:

Date: Thursday, December 3, 2015

Time: 9:00 a.m. Eastern Time (8:00 a.m. Central Time)

Place: Hyatt Regency O Hare at 9300 Bryn Mawr Avenue, Rosemont, Illinois 60018

You must have an admission ticket, as well as a valid form of government-issued photo identification, in order to be admitted to the Cigna special meeting. If you are a Cigna shareholder of record and received a printed copy of Cigna's proxy materials, you must bring the admission ticket portion of your proxy card to be admitted to the Cigna special 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 Cigna common stock as of the close of business on the Cigna record date of October 22, 2015, to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16th Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550. Proof of ownership would be a bank or brokerage account statement in your name showing the number of shares of Cigna common stock held by you on the Cigna record date or a letter from your broker, bank or other nominee certifying the amount of your beneficial ownership interest as of the close of business on the Cigna record date.

If you wish to appoint a representative to attend the Cigna special meeting in your place, you must provide to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16th Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550, the name of your representative, in addition to the admission ticket portion of your proxy card if you are a Cigna 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 Cigna shareholder may only appoint one representative. Requests from Cigna 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 November 25, 2015, may not be able to be processed in time to allow you to receive your admission ticket before the date of the Cigna special meeting so you should mail your request early.

No cameras, recording equipment, electronic devices, large bags, briefcases, signs or packages will be permitted in the Cigna special 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. Cigna will be unable to admit anyone who does not comply with these security procedures. No one will be admitted to the Cigna special meeting once the Cigna special meeting has commenced. Registration will begin at 8:30 a.m. Eastern Time (7:30 a.m. Central Time).

**Purpose**

At the Cigna special meeting, Cigna shareholders will be asked to consider and vote on:

a proposal to adopt the merger agreement;

a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger; and

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a proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

The adoption of the merger agreement by Cigna shareholders is a condition to the obligations of Anthem and Cigna to complete the merger. The approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger is not a condition to the obligations of Anthem or Cigna to complete the merger. The approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting also is not a condition to the obligations of Anthem or Cigna to complete the merger.

**Recommendations of the Cigna Board of Directors**

At a meeting on July 23, 2015, the Cigna board of directors unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna shareholders for their adoption, (4) recommended that Cigna shareholders vote **FOR** the adoption of the merger agreement and (5) further resolved that it recommend to the shareholders of Cigna that they approve a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the merger and the other transactions contemplated by the merger agreement pursuant to already existing contractual obligations of Cigna (as such obligations may be amended consistent with the terms of the merger agreement).

The Cigna board of directors unanimously recommends that Cigna shareholders vote **FOR** the adoption of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and **FOR** the approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting. See the sections entitled

*Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement*, *Cigna's Reasons for the Merger; Recommendation of the Cigna Board of Directors*, *Cigna Proposal II: Non-Binding, Advisory Vote on Compensation* and *Cigna Proposal III: Adjournment of Cigna Special Meeting* beginning on pages 121, 211 and 212, respectively, of this joint proxy statement/prospectus for a more detailed discussion of the recommendation.

**Cigna Record Date; Outstanding Shares; Shareholders Entitled to Vote**

Only holders of record of shares of Cigna common stock at the close of business on October 22, 2015, the record date for the Cigna special meeting, will be entitled to notice of, and to vote at, the Cigna special meeting or any adjournments or postponements thereof.

A list of shareholders of record entitled to vote at the Cigna special meeting will be made available for a period of at least ten days prior to the date of the Cigna special meeting at Cigna's executive offices and principal place of business at 900 Cottage Grove Road, Bloomfield, Connecticut for examination by Cigna shareholders during ordinary business hours. A Cigna shareholder desiring to examine the list should contact Cigna's Shareholder Services to make necessary arrangements at:

Cigna Corporation

Two Liberty Place, 5<sup>th</sup> Floor

Edgar Filing: CIGNA CORP - Form DEFM14A

1601 Chestnut Street

Philadelphia, Pennsylvania 19192-1550

Attention: Shareholder Services

Email: [shareholderservices@cigna.com](mailto:shareholderservices@cigna.com)

Tel.: (215) 761-3516

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The list will also be available at the Cigna special meeting for examination by Cigna shareholders present at the Cigna special meeting.

As of the close of business on the Cigna record date, there were outstanding a total of 257,627,908 shares of Cigna common stock entitled to vote at the Cigna special meeting. As of the close of business on the Cigna record date, less than 1% of the outstanding shares of Cigna common stock were held by Cigna directors and executive officers and their affiliates. We currently expect that Cigna's directors and executive officers and their affiliates will vote their Cigna shares in favor of the above listed proposals, although none of them has entered into any agreement obligating him or her to do so.

## **Quorum**

A quorum is necessary to transact business at the Cigna special meeting. The holders of at least two-fifths of the issued and outstanding Cigna shares entitled to vote at the Cigna special meeting, present in person or represented by proxy at the Cigna special meeting, will constitute a quorum. Shares of Cigna common stock represented at the Cigna special meeting but not voted, including Cigna shares for which a shareholder directs an abstention from voting, will be counted as present for purposes of establishing a quorum. Broker non-votes (Cigna shares held by banks, brokers or other nominees commonly referred to as shares held in street name that are present in person or represented by proxy at the Cigna special meeting but with respect to which the broker or other shareholder of record is not instructed by the beneficial owner of such shares how to vote on a particular proposal and the broker does not have discretionary voting power on such proposal), if any, will not be counted as present for purposes of establishing a quorum.

## **Required Vote**

Adoption of the merger agreement requires the affirmative vote, in person or by proxy, of the holders of a majority of all outstanding shares of Cigna common stock entitled to vote on such proposal.

Approval, on a non-binding advisory basis, of the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal.

Approval of the adjournment of the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting requires the affirmative vote, in person or by proxy, of the holders of a majority of the shares of Cigna common stock present in person or represented by proxy at the Cigna special meeting and entitled to vote on such proposal.

## **Failure to Vote, Broker Non-Votes and Abstentions**

If your shares are held in street name and you fail to instruct your bank, broker or other nominee to vote, it will have the effect of a vote against the proposal to adopt the merger agreement and will have no effect on the non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger or the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

If you are a Cigna shareholder and you mark your proxy or voting instructions to abstain, it will have the effect of a vote against each of the proposal to adopt the merger agreement, the non-binding, advisory proposal to



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approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

### **Voting of Cigna Shares Owned as a Record Holder**

If your name is registered on Cigna's shareholder records as the owner of shares, you are the record holder. This may include shares held at Computershare from restricted stock that has vested, shares acquired through an option exercise and shares issued in settlement of strategic performance share awards. If you hold shares as a record holder, there are four ways that you can vote your shares: over the Internet, by telephone, by mail or in person.

**Voting Over the Internet.** Vote at [www.investorvote.com/ci](http://www.investorvote.com/ci). The Internet voting system is available 24 hours a day until 11:59 p.m. Eastern Time on December 2, 2015. Once you enter the Internet voting system, you can record and confirm (or change) your voting instructions.

**Voting by Telephone.** Use the telephone number shown on your proxy card. The telephone voting system is available 24 hours a day in the United States until 11:59 p.m., Eastern Time, on December 2, 2015. Once you enter the telephone voting system, a series of prompts will tell you how to record and confirm (or change) your voting instructions.

**Voting by Mail.** A proxy card is enclosed for your use. In order to vote by mail, you must mark, sign and date the accompanying proxy and return it promptly in the enclosed postage-paid envelope. When the accompanying proxy is returned properly executed, the shares of Cigna common stock represented by it will be voted at the Cigna special meeting or any adjournment thereof in accordance with the instructions contained in the proxy. For your mailed proxy card to be counted, Cigna must receive it before 9:00 a.m. Eastern Time on December 3, 2015.

**Voting in Person.** We urge you to vote by proxy (over the Internet, by telephone or by mail) even if you plan to attend the Cigna special meeting. This will help us know whether enough votes will be present to hold the meeting and whether enough votes will be present to adopt the merger agreement. However, if you plan to attend the Cigna special meeting and wish to vote in person, you will be given a ballot at the Cigna special meeting. You may also send a personal representative with a valid legal proxy executed in his or her favor from you authorizing him or her to vote at the Cigna special meeting.

### **Shares held by Fidelity in an employee stock account**

Employee stock accounts maintained by Fidelity include unvested restricted stock which is votable if held on the record date. You should follow the rules above for voting shares held as a record holder.

### **Voting of Cigna Shares Held in the Cigna Stock Fund of the Cigna 401(k) Plan**

If you have money invested in the Cigna Stock Fund of the Cigna 401(k) Plan, you may provide voting instructions as to the number of shares allocated to your account as of the close of business on the record date. However, you have an earlier deadline for submitting voting instructions. Your voting instructions must be received by 11:59 p.m., Eastern Time, on November 29, 2015. You may vote over the Internet, by telephone or by mail (as described in *Voting of Cigna Shares Owned as a Record Holder*), but you may not vote shares allocated to your Cigna 401(k) Plan accounts in person at the Cigna special meeting. The plan trustees will vote such shares in accordance with your voting instructions if they are received in a timely manner. If the trustee does not receive instructions by the November 29,

2015 deadline, you do not vote or you return your proxy card with unclear voting instructions or no voting instructions, the plan trustees will vote the number of shares



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allocated to your Cigna 401(k) Plan account as instructed by Cigna's Retirement Plan Committee or its designee. Your voting instructions will be kept confidential under the terms of the plan.

Shares allocated to your Cigna 401(k) Plan account, shares held in an employee stock account with Fidelity and shares held at Computershare may be aggregated on one proxy card. Please note that if voting instructions are submitted after 11:59 p.m., Eastern Time, on November 29, 2015, your vote will be counted for any shares held at Computershare or in your employee stock accounts at Fidelity, but not with respect to shares allocated to your Cigna 401(k) Plan account.

## **Voting of Cigna Shares Held in Street Name**

If your shares are held in street name, you may instruct your bank, broker or other nominee to vote your Cigna shares by following the instructions that the bank, broker or other nominee provides to you with these materials. Most brokers offer the ability for shareholders to submit voting instructions by mail by completing a voting instruction card, by telephone and via the Internet. If you do not provide voting instructions to your broker, your Cigna shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is called a broker non-vote. With respect to the proposal to adopt the merger agreement, a broker non-vote will have the effect of a vote against the proposal. With respect to the non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting, assuming a quorum is present, a broker non-vote will have no effect on such proposals.

If your Cigna shares are held in street name, and you wish to vote at the Cigna special meeting in person, you must bring to the Cigna special meeting a legal proxy executed in your favor from the record holder of the Cigna shares authorizing you to vote at the Cigna special meeting. If you request a legal proxy from your bank, broker or custodian, any previously executed proxy will be revoked and your vote will not be counted unless you vote in person at the Cigna special meeting or appoint another valid legal proxy to vote on your behalf.

## **Revocability of Proxies; Changing Your Vote**

You may revoke your proxy or change your vote at any time before your proxy is voted at the Cigna special meeting.

If you own Cigna shares as the record holder, you may change your vote in one of four ways:

by entering new instructions by telephone or Internet before 11:59 p.m., Eastern Time, on December 2, 2015;

by sending a new proxy card with a later date than the card submitted earlier (Cigna must receive your new proxy card before 9:00 a.m., Eastern Time, on December 3, 2015);

by sending to the corporate secretary of Cigna a letter containing the name in which your shares are registered, the date of the proxy you wish to revoke or change, your new voting instructions, if applicable, and your signature (Cigna must receive your new proxy card before 9:00 a.m., Eastern Time, on

December 3, 2015); or

by voting in person (or sending a personal representative with a valid proxy) at the Cigna special meeting, which automatically will cancel any proxy previously given.

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If you hold Cigna shares in street name, you may revoke your proxy or change your vote in one of two ways:

by submitting new voting instructions in the manner provided by your bank, broker or other nominee; or

by contacting your bank, broker or other nominee to request a proxy to vote in person at the Cigna special meeting.

Written notices of revocation and other communications about revoking Cigna proxies should be addressed to Corporate Secretary, Cigna Corporation, Two Liberty Place, 16<sup>th</sup> Floor, 1601 Chestnut Street, Philadelphia, Pennsylvania 19192-1550.

Once voting on a particular matter is completed at the Cigna special meeting, a Cigna shareholder will not be able to revoke its proxy or change its vote as to that matter.

## **How Proxies are Counted**

All Cigna shares represented by valid proxies that Cigna receives through this solicitation and that are not revoked will be voted in accordance with the instructions on the proxy card. Properly executed proxies that do not contain voting instructions with respect to the proposal to adopt the merger agreement, the non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger or the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting, will be voted FOR each such proposal. If you indicate, however, that you wish to vote against the proposal to adopt the merger agreement, your shares of Cigna common stock will only be voted in favor of the adjournment proposal if you indicate that you wish to vote in favor of that proposal.

At the date of this joint proxy statement/prospectus, Cigna management has no knowledge of any business that will be presented for consideration at the Cigna special meeting and which would be required to be set forth in this joint proxy statement/prospectus or the related Cigna proxy card other than the matters set forth in Cigna's Notice of Special Meeting of Shareholders. If any other matter is properly presented at the Cigna special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

## **Solicitation of Proxies; Expenses of Solicitation**

Cigna will bear the entire cost of soliciting proxies from its shareholders, except that Cigna and Anthem have agreed to each pay one half of the costs and expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus (other than the fees and expenses of each party's attorneys and accountants, which shall be paid by the party incurring such fees and expenses). In addition to the solicitation of proxies by mail, Cigna will request that banks, brokers and other nominees send proxies and proxy material to the beneficial owners of Cigna common stock and secure their voting instructions, if necessary. Cigna will reimburse the record holders for their reasonable out-of-pocket expenses in taking those actions.

Directors, officers and other employees of Cigna may solicit proxies by telephone, the Internet, facsimile or letter or by meetings with shareholders or their representatives. Cigna has also made arrangements with Innisfree M&A Incorporated to assist in soliciting proxies and in communicating with Cigna shareholders. Cigna will pay Innisfree

reasonable and customary compensation plus reasonable out-of-pocket fees and expenses for these services.

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### **Householding**

If you and other residents at your mailing address own shares of Cigna common stock in street name, your broker, bank or other nominee should have notified you that your household will receive only one set of proxy materials, but each Cigna shareholder who resides at your address will receive a separate proxy card or voting instruction form. This practice is known as householding. Unless you responded that you did not want to participate in householding, you were deemed to have consented to the process. Householding benefits both you and Cigna because it reduces the volume of duplicate information received at your household and helps Cigna reduce expenses and conserve natural resources. If you prefer to receive multiple copies of Cigna's proxy materials at the same address, additional copies will be provided to you promptly upon written or oral request. Please address requests for a copy of Anthem's proxy materials to Shareholder Services, Cigna Corporation, Two Liberty Place (5th floor), Philadelphia, Pennsylvania 19192 or by telephone at (215) 761-3516.

If you would like to receive your own set of future notices, proxy materials and Annual Reports on Form 10-K, or if you share an address with another Cigna shareholder and together both of you would like to receive only a single set of such materials, please contact Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717 or (800) 542-1061. The request must be made by each person in the household. Be sure to indicate your name, the name of your broker, bank or other nominee, and your account number. The revocation of your consent to householding will be effective 30 days following its receipt.

### **Adjournment**

If a quorum is not present or represented by proxy at the Cigna special meeting, the chairman of the meeting or a majority of the voting power entitled to vote thereon, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy. If a quorum is present at the Cigna special meeting, but there are not sufficient votes at the time of the Cigna special meeting to approve the merger agreement, then Cigna shareholders may be asked to vote on the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies to adopt the merger agreement. In addition, the chairman of the meeting shall have the power to adjourn the meeting to another place, date or time. If the adjournment is for more than thirty days, or, if after adjournment a new record date is set, a notice of the adjourned meeting will be given to each Cigna shareholder of record entitled to vote at the meeting. At any subsequent reconvening of the Cigna special meeting at which a quorum is present, any business may be transacted that might have been transacted at the original meeting and all proxies will be voted in the same manner as they would have been voted at the original convening of the Cigna special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the time the proxy is voted at the reconvened meeting.

### **Tabulation of Votes; Results**

Computershare has been appointed inspector of election for the Cigna special meeting. The inspector of election will determine the number of shares outstanding, the shares represented at the Cigna special meeting, the existence of a quorum, and the validity of proxies and ballots, and will count all votes and ballots.

### **Confidentiality of Votes**

All votes are confidential. Your voting records will not be disclosed to Cigna, except as required by law, in contested Cigna board of directors elections or certain other limited circumstances.

### **Other Information**

The matters to be considered at the Cigna special meeting are of great importance to Cigna shareholders. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by

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reference into this joint proxy statement/prospectus and submit your proxy over the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope. **If you submit your proxy over the Internet or by telephone, you do not need to return the enclosed proxy card.**

**Assistance**

If you have any questions concerning the merger, the proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger or the proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement, or if you would like additional copies of the accompanying joint proxy statement/prospectus or need help submitting a proxy to have your shares of Cigna common stock voted, please contact Cigna's proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, New York 10022

Shareholders May Call Toll-Free: (877) 456-3510

Banks & Brokers May Call Collect: (212) 750-5833

or

Cigna Corporation

Two Liberty Place, 5th Floor

1601 Chestnut Street

Philadelphia, Pennsylvania 19192-1550

Attention: Shareholder Services

Telephone: (215) 761-3516

Email: [shareholderservices@cigna.com](mailto:shareholderservices@cigna.com)

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**Table of Contents****ANTHEM PROPOSAL I: APPROVAL OF THE SHARE ISSUANCE AND  
CIGNA PROPOSAL I: ADOPTION OF THE MERGER AGREEMENT****General**

This joint proxy statement/prospectus is being provided to Anthem shareholders in connection with the solicitation of proxies by the Anthem board of directors to be voted at the Anthem special meeting and at any adjournments or postponements of the Anthem special meeting. At the Anthem special meeting, Anthem will ask Anthem shareholders to vote on the approval of the share issuance and the adjournment of the Anthem special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance at the time of the Anthem special meeting.

This joint proxy statement/prospectus is being provided to Cigna shareholders in connection with the solicitation of proxies by the Cigna board of directors to be voted at the Cigna special meeting and at any adjournments or postponements of the Cigna special meeting. At the Cigna special meeting, Cigna shareholders will be asked to consider and vote on (1) a proposal to adopt the merger agreement, (2) a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Cigna's named executive officers in connection with the completion of the merger and (3) a proposal to adjourn the Cigna special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the Cigna special meeting.

The merger agreement provides for the merger of Merger Sub with and into Cigna. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Cigna will continue as the initial surviving corporation in the merger and a wholly owned subsidiary of Anthem. If certain tax opinions are delivered by the outside counsel of each of Anthem and Cigna to each of Anthem and Cigna, respectively, prior to the effective time of the merger to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code, immediately following the completion of the merger, the initial surviving corporation will merge with and into Anthem pursuant to the terms of the second merger agreement (see the section entitled *The Merger Agreement Second Merger Agreement* for a description of the second merger agreement) and Anthem will continue as the surviving corporation. The merger will not be completed without the approval of the share issuance by Anthem shareholders and the adoption of the merger agreement by Cigna shareholders. A copy of the merger agreement is attached as **Annex A** to this joint proxy statement/prospectus. You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger. For additional information about the merger, see the section entitled *The Merger Agreement* beginning on page 180 of this joint proxy statement/prospectus.

As of the effective time of the merger, each share of Cigna common stock issued and outstanding immediately prior to the effective time of the merger (other than (1) Cigna treasury shares, (2) shares of Cigna common stock beneficially owned by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares of Cigna common stock that are owned by Cigna shareholders who have not voted in favor of the merger and who have properly demanded in writing appraisal for such shares pursuant to Section 262 of the DGCL and (4) shares of Cigna common stock subject to Cigna restricted stock awards) will be converted into the right to receive (x) \$103.40 in cash, without interest, and (y) 0.5152 shares of Anthem common stock. Based on the number of shares of Cigna common stock outstanding as of October 22, 2015, Anthem expects to issue approximately 132,729,898 shares of Anthem common stock to Cigna shareholders pursuant to the merger. The actual number of shares of Anthem common stock to be issued pursuant to the merger will be determined at the completion of the merger based on the number of shares of Cigna common stock and the number of shares of vested Cigna stock options outstanding at such time. Based on the number of shares of Cigna common stock outstanding as of October 22, 2015, the Cigna record date, and the number of shares of Anthem



common stock outstanding as of October 22, 2015, the Anthem record date, it is expected that, immediately after completion of the merger, former Cigna shareholders will own approximately 33% of the outstanding shares of Anthem common stock.

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### **Background of the Merger**

The Cigna board of directors and senior management of Cigna regularly review and assess Cigna's results of operations, financial performance, prospects and competitive position as well as industry conditions and regulatory developments as they may each impact Cigna's long-term strategic goals and plans with a goal of maximizing shareholder value. In connection with these reviews and assessments, the Cigna board of directors and senior management of Cigna regularly evaluate potential strategic alternatives relating to Cigna and its business, including possible acquisitions, divestitures and business combination transactions.

The Anthem board of directors and senior management of Anthem regularly review and assess Anthem's results of operations, financial performance, prospects and competitive position as well as industry conditions and regulatory developments as they may each impact Anthem's long-term strategic goals and plans with a goal of maximizing shareholder value. In connection with these reviews and assessments, the Anthem board of directors and senior management of Anthem regularly evaluate potential strategic alternatives relating to Anthem and its business, including possible acquisitions, divestitures and business combination transactions.

As part of Anthem's and Cigna's reviews and assessments, Anthem and Cigna have considered a number of factors, including the potential for industry consolidation, the highly competitive marketplace for health care insurance, increased regulation, the wide range of competitors in the industry and the importance of increased affordability, personalization and improved quality and technology to continuing success.

As the industry dynamics have evolved over the past several years, senior management of Anthem and Cigna have engaged in various discussions with respect to a potential business combination transaction involving the two companies. In addition, as part of Anthem's and Cigna's evaluation of potential strategic alternatives, senior management of Anthem and Cigna also have engaged in discussions with other industry participants regarding possible acquisitions, divestitures and business combination transactions.

On May 6, 2014, Mr. Joseph Swedish, Anthem's president and chief executive officer, had an introductory telephone call with Mr. David Cordani, Cigna's president and chief executive officer.

On June 5, 2014, Mr. Swedish met with Mr. Cordani to discuss the potential benefits of a business combination and Anthem's interest in exploring a potential business combination with Cigna. A preliminary review of a potential business combination suggested to both the senior management of Anthem and Cigna that a strategic transaction involving the two companies might create substantial value for Anthem's and Cigna's respective shareholders and customers. This preliminary review suggested that the combination of the two companies could yield immediate value through the realization of synergies and expand consumer choice, quality and affordability, as well as potentially significantly increase the capability of each company to realize its current strategic vision. This preliminary review also indicated that a combination of Anthem and Cigna could be the most attractive strategic alternative available to either company.

From July 2014 through October 2014, Mr. Swedish and Mr. Cordani met several more times, both in person and telephonically, during which they continued their discussions regarding a potential business combination of Anthem and Cigna, including discussions about value creation, governance of the combined company and leadership of the combined company. On August 12, 2014, in connection with these discussions, Anthem and Cigna entered into a mutual confidentiality agreement.

On August 18, 2014, members of Anthem's and Cigna's senior management met in Chicago, Illinois to discuss the potential benefits of a business combination, the value that a combination of Anthem and Cigna could create and the

governance and leadership structure of the combined company.

On September 4, 2014, Mr. Wayne DeVeydt, executive vice president and chief financial officer of Anthem, and other members of Anthem's senior management met with Mr. Thomas McCarthy, the chief financial officer of Cigna, and other members of Cigna's senior management to continue their discussions regarding the potential value that a combination of Anthem and Cigna could create, including key value drivers and potential synergies.

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On September 24, 2014, the Cigna board of directors held a telephonic meeting. Members of Cigna's senior management also attended portions of the meeting. At this meeting, among other topics, members of senior management of Cigna provided the Cigna board of directors with a general update on strategy and Cigna's recent discussions with Anthem and an overview of the competitive landscape within the industry.

On October 1 and 2, 2014, the Anthem board of directors held a regular meeting. Members of Anthem's senior management also attended portions of the meeting. At this meeting, members of Anthem's senior management and the Anthem board of directors discussed, among other things, the state of the health benefits industry in general, trends in and prospects for the health benefits industry and the health benefits industry transaction environment, as well as Anthem's recent discussions with Cigna.

On October 9, 2014, Mr. Cordani met with the chief executive officer of another health benefits company, referred to as Company A in this joint proxy statement/prospectus, in Boston, Massachusetts. The two discussed, among other things, recent trends in the health care industry.

On October 21 and 22, 2014, at a regularly scheduled meeting of the Cigna board of directors, senior management of Cigna updated the board of directors on the current status of discussions regarding the potential strategic alternatives that may be available to Cigna.

On October 23, 2014, Mr. Cordani and Mr. McCarthy met with the chief executive officer and the chief financial officer of another health benefits company, referred to as Company B in this joint proxy statement/prospectus, to discuss various matters facing the health care industry and the potential for consolidation, including the potential value that might be created through a combination of Cigna and Company B.

On November 10, 2014, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management also attended portions of the meeting. At the meeting, members of senior management updated the Cigna board of directors on the recent conversations between the senior management of Company B and provided a general update on potential strategic alternatives.

During November and December 2014, senior management of Cigna and senior management of Anthem held several meetings during which they continued their discussions of a potential business combination, including a discussion on the potential impact of the rules governing the BCBSA on a potential transaction, various ways in which the combined company could ensure compliance with the BCBSA rules and the pending antitrust litigation relating to the BCBSA rules described in Anthem's public filings, referred to as the pending BCBSA antitrust litigation in this joint proxy statement/prospectus. At one of these meetings, Mr. George A. Schaefer, Jr., the chairman of the Anthem board of directors, and Mr. Isaiah Harris, the chairman of the Cigna board of directors, attended. At certain of these meetings, Mr. Swedish and Mr. Cordani also met separately and discussed the value that a combination of Anthem and Cigna could create and the governance and leadership structure of the combined company.

During November and December 2014, senior management of Cigna and senior management of Company B held several meetings to discuss the merits of a potential business combination and explored the data supporting a potential combination. This series of meetings ended with the chief executive officer of Company B indicating to Mr. Cordani that Company B was not interested in continuing to explore a potential transaction.

On December 3 and 4, 2014, the Cigna board of directors held a regularly scheduled meeting. Members of Cigna's senior management, representatives of Morgan Stanley & Co. LLC, referred to as Morgan Stanley in this joint proxy statement/prospectus, and Cigna's outside counsel also attended portions of the meeting. During this meeting, senior management of Cigna provided an update on the ongoing review of potential strategic alternatives. In addition, Cigna's

outside counsel provided the Cigna board of directors with an overview of the fiduciary duties of the Cigna board of directors. Cigna's outside counsel also provided an overview of regulatory considerations with respect to various potential scenarios for industry consolidation, including a combination of

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Anthem and Cigna. In connection with Cigna's ongoing discussions with Anthem, Cigna's outside counsel also provided the Cigna board of directors with an overview of the rules governing the BCBSA and the potential implications of these rules on any transaction with Anthem. At this meeting, representatives from Morgan Stanley reviewed the current market environment and strategic landscape, and the Cigna board of directors discussed the potential for significant value to be created for Cigna's shareholders as a result of a combination of Anthem and Cigna.

On December 11, 2014, Mr. Cordani met with the chief executive officer of Company A in Washington, D.C. The two discussed, among other things, recent trends in the health care industry. The chief executive officer of Company A also indicated to Mr. Cordani that if material events or developments were to occur within the health care industry, the chief executive officer of Company A would be interested in having further conversations with Mr. Cordani.

On January 16, 2015, the senior management of Cigna and senior management of Anthem met in Indianapolis to continue discussions regarding a potential business combination between Anthem and Cigna, including a discussion on the potential impact of the rules governing the BCBSA on a potential transaction, various ways in which the combined company could ensure compliance with the BCBSA rules and the pending BCBSA antitrust litigation.

On January 19, 2015, Mr. McCarthy met with the chief financial officer of Company B to continue to explore the possibility of a transaction between the two companies, and, at this meeting, the chief financial officer of Company B reiterated that Company B was not interested in further exploring a potential transaction with Cigna.

On January 29, 2015, Anthem learned of a cyber attack on its IT systems. This data breach became widely publicized over the course of the next week.

On January 30, 2015, the senior management of Cigna and senior management of Anthem met telephonically to continue discussions regarding a potential business combination between Anthem and Cigna, including further discussions on the potential impact of the rules governing the BCBSA on a potential transaction, various ways in which the combined company could ensure compliance with the BCBSA rules and the pending BCBSA antitrust litigation.

During the week of February 1, 2015, Mr. Cordani spoke via telephone with Mr. Swedish on several occasions to discuss a potential business combination involving Anthem and Cigna, to follow up on a prior discussion between Anthem's and Cigna's respective financial advisors and to schedule a meeting with members of both companies' respective senior management.

On February 6, 2015, certain members of the senior management of Anthem and Cigna met in order to discuss the potential advantages of a transaction. At this meeting, senior management discussed the potential for meaningful value creation as a result of a combination of the two companies, the potential implications of the rules governing the BCBSA, the pending BCBSA antitrust litigation, the feasibility of a combination between the two companies at that time and the governance and leadership structure of the combined company.

On February 18 and 19, 2015, the Anthem board of directors convened a regularly scheduled meeting in Scottsdale, Arizona. Members of Anthem's senior management and a representative of White & Case LLP, referred to as "White & Case" in this joint proxy statement/prospectus, outside legal counsel to Anthem, also attended portions of this meeting. At this meeting, White & Case provided an overview to the Anthem board of directors of the basic legal standards and obligations, including fiduciary duties under Indiana law, relevant to the Anthem board of directors' consideration of a potential transaction with Cigna. Members of Anthem's senior management and the Anthem board of directors also discussed, among other things, the state of the health benefits industry in general, trends in and prospects for the health benefits industry and the health benefits



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industry transaction environment, as well general transaction structures, governance considerations and financial terms of a possible business combination with Cigna. The Anthem board of directors additionally discussed and considered the potential impact that a transaction with Cigna would have on Anthem's relationships with other members of the BCBSA and the pending BCBSA antitrust litigation and how the standards and guidelines of the BCBSA would be applied in connection with a merger with Cigna.

After extensive discussion and analysis, the Anthem board of directors concluded at the February 18 and 19, 2015 board meeting not to pursue a transaction with Cigna at that time, primarily because there were no signs of imminent industry consolidation that would take away future optionality for Anthem which, when coupled with both the uncertainty in the pending BCBSA antitrust litigation that was still in an early stage and the possibility that an announced transaction could cause a competitor of Anthem to bid for Cigna, led the Anthem board of directors to conclude, on balance, that there was no immediate rush to combine with Cigna at that time and would instead wait and see how industry developments and the pending BCBSA antitrust litigation would unfold over the coming months. Later in February 2015, Mr. Swedish spoke with Mr. Cordani, and Mr. Swedish indicated that Anthem was going to put on hold its pursuit of a potential business combination with Cigna for the reasons discussed above.

On February 25 and 26, 2015, the Cigna board of directors held a regularly scheduled meeting in Phoenix, Arizona. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath, Swaine & Moore LLP, referred to as Cravath in this joint proxy statement/prospectus, Cigna's outside counsel, also attended. Members of senior management presented updates on Cigna's ongoing strategic review, including the significant potential value that could be created through a combination with Anthem, the most recent discussions with Anthem and Anthem's reasons for terminating the discussions. During this meeting, a representative from Cravath provided an overview of directors' fiduciary duties under Delaware law in assessing strategic alternatives. In addition, representatives from Morgan Stanley reviewed current market considerations, including the various potential alternatives available to Cigna.

On March 4, 2015, Mr. Swedish met with the chief executive officer of Company B in Washington, D.C. During this meeting, Mr. Swedish and the chief executive officer of Company B discussed a variety of topics, including recent developments in the health benefits industry and potential industry consolidation, including the prospect of Anthem combining with Company B.

On March 9, 2015, Mr. Cordani called the chief executive officer of Company B to discuss a variety of topics, including various matters facing the health care industry, the potential for industry consolidation and the potential value that might be created through a combination of Cigna and Company B.

On March 24, 2015, Mr. Swedish again met with the chief executive officer of Company B while they were both in Washington, D.C. to attend a function for industry leaders. During this meeting, Mr. Swedish and the chief executive officer of Company B discussed a variety of topics, including recent developments in the health benefits industry and potential industry consolidation, including the prospect of Anthem combining with Company B.

On March 25, 2015, Mr. Cordani also met with the chief executive officer of Company B in Washington, D.C. The two discussed, among other things, recent developments in the industry, the potential for consolidation and how consolidation may result in improved affordability, access, quality and cost of care management capabilities. The chief executive officer of Company B agreed with Mr. Cordani that additional engagement between the two companies could be productive.

Over the next few weeks, members of Cigna's senior management continued to review and assess Cigna's long-term strategic goals and plans, including the possibility of a combination with other industry participants in light of the fact



that Anthem had decided not to pursue further discussions about a potential business combination with Cigna at that time.

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On April 21 and 22, 2015, the Cigna board of directors held a regularly scheduled meeting in Bloomfield, Connecticut. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. At this meeting, members of senior management reviewed the key elements of Cigna's ongoing review of alternatives, the dynamic and changing landscape in which the U.S. health segments were operating and the various alternatives available to Cigna. Representatives of Morgan Stanley also presented a review of opportunities available to Cigna and the strategic rationale for an acquisition of Company B. After discussion, the Cigna board of directors concluded that senior management should further explore the possibility of a transaction with Company B, including exploration via a meeting between Mr. Cordani and Company B's chief executive officer at which Mr. Cordani would provide a non-binding indication of interest to acquire Company B at a price per share of \$230.

On April 25, 2015, Mr. Cordani met with the chief executive officer of Company B and delivered a written, non-binding indication of interest proposing to acquire 100% of the outstanding common stock of Company B for a price of \$230 per share, with a consideration mix split roughly equally between cash and new Cigna equity. Over the course of the following several weeks, Mr. Cordani had several conversations with the chief executive officer of Company B regarding the status of Company B's review of Cigna's proposal.

On April 30, 2015, the chief executive officer of Company B telephoned Mr. Cordani to tell him that the board of directors of Company B was considering Cigna's proposal and that Cigna should expect a response by the middle to end of May. Mr. Cordani followed-up via telephone with the chief executive officer of Company B on May 1, 2015, and May 8, 2015, in order to check on the status of Company B's response.

On May 12 and 13, 2015, the Anthem board of directors held a regularly scheduled meeting in Indianapolis, Indiana. Members of Anthem's senior management also attended portions of the meeting. At this meeting, members of senior management reviewed the key elements of Anthem's ongoing review of the dynamic and changing landscape in the health benefits industry and the various alternatives available to Anthem. Messrs. Swedish and Zielinski also reviewed the history of discussions with Cigna and potential next steps. Following significant discussion and consideration, the Anthem board of directors determined to continue to monitor industry developments and potentially attempt to reengage in discussions with Cigna depending on how events continued to unfold.

On May 20, 2015, the chief executive officer of Company B telephoned Mr. Cordani to tell him that Company B had started a limited process to explore the sale of Company B and that Company B was not prepared to accept the proposal Cigna had submitted on April 25, 2015. This phone call was followed by a call from Company B's financial advisor to Mr. McCarthy outlining the process for engaging with Company B regarding a potential transaction.

On May 20, 2015, Mr. Swedish was also notified by Company B's chief executive officer about the limited sales process being conducted by Company B. Anthem senior management determined that, in light of the sales process being conducted by Company B and the consensus of the Anthem board of directors from earlier that month, it was time to reengage in discussions with Cigna about a potential combination. Anthem senior management considered that the risk of being left out of the remaining consolidation in the health benefits industry outweighed the factors that led the Anthem board of directors to cease discussions in February 2015 and concluded that such factors should not act as any impediment to a potential combination with Cigna given the compelling nature of such a transaction to Anthem's shareholders.

Also on May 20, 2015, Mr. Swedish called Mr. Cordani and indicated that Anthem wanted to aggressively reengage with Cigna on a potential transaction. The next day, Mr. Cordani followed up with Mr. Swedish to indicate that Cigna remained very interested in exploring a potential transaction with Anthem, but wanted first to understand what had changed since the last time the two parties had spoken. In particular, Mr. Cordani noted that he and his team would

need to understand the change in Anthem's position from several months ago when members of Anthem's senior management indicated that Anthem was not ready to move forward with a potential transaction at that time.

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From May 21, 2015 through May 23, 2015, Cigna and Cravath negotiated, and Cigna ultimately entered into, a mutual confidentiality agreement with Company B in order to facilitate the disclosure of confidential information relating to Company B in connection with its sale process.

From May 22, 2015 through May 24, 2015, Anthem and White & Case also negotiated, and Anthem ultimately entered into, a mutual confidentiality agreement with Company B.

On May 24, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended the meeting. During this meeting, members of senior management updated the Cigna board of directors on the most recent discussions with Anthem and Company B. The Cigna board of directors reviewed and discussed multiple strategic alternatives available to Cigna with a focus on potential transactions with Anthem or Company B. After discussion, the Cigna board of directors determined that senior management, with assistance from Cigna's financial and legal advisors, should continue to explore the possibility of a transaction with Anthem or Company B. In addition, the Cigna board of directors concluded that Ms. Nicole Jones, executive vice president and general counsel of Cigna, should meet with Mr. Thomas Zielinski, executive vice president and general counsel of Anthem, to better understand any potential legal or regulatory matters that could impact a transaction with Anthem and what had led Anthem to change its position on engagement with Cigna over the past several months. The Cigna board of directors also concluded that members of senior management should meet with senior management from Company B to further discuss a possible transaction.

On May 28, 2015, Ms. Jones and Mr. Zielinski met to discuss the possibility of reengagement between Anthem and Cigna, and, in particular, why Anthem was now ready to engage given the various concerns Anthem had raised previously regarding a potential combination.

Also on May 28, 2015, members of Anthem's senior management and representatives of Credit Suisse Securities (USA) LLC, referred to as "Credit Suisse" in this joint proxy statement/prospectus, who was assisting Anthem in connection with its exploration of a combination with Company B, met with members of Company B's senior management and representatives of Company B's financial advisor for a business diligence session. Also on May 28, 2015, Mr. Swedish had a telephone conversation with the chief executive officer of Company B to discuss the process and the potential of Anthem submitting a preliminary indication of interest to acquire Company B.

On May 29, 2015, the respective senior management teams and financial advisors of Cigna and Company B met for a business diligence session. In addition, during trading hours on May 29, 2015, The Wall Street Journal and other news organizations reported that Company B had started a process to explore a potential sale of itself and that Cigna and another large health benefits company were among those that had held merger discussions with Company B. As of the close of business on May 28, 2015, the day prior to these news reports, Anthem's stock price was \$164.22 and Cigna's stock price was \$135.87.

Later in the day on May 29, 2015, Mr. Swedish and Mr. Cordani had a conversation via telephone during which Mr. Swedish reiterated Anthem's interest in pursuing a business combination transaction between Anthem and Cigna. Mr. Cordani indicated Cigna's willingness to explore any transaction that would create value for Cigna's shareholders.

Also on May 29, 2015, Mr. Swedish contacted a representative of UBS Securities LLC, referred to as "UBS" in this joint proxy statement/prospectus, to discuss the potential engagement of UBS as financial advisor on the potential transaction with Cigna. On May 30, 2015, UBS discussed with the Anthem management team the potential transaction with Cigna.

On June 2, 2015, Mr. Swedish called the chief executive officer of Company B to discuss the potential of Anthem submitting a preliminary indication of interest for a transaction with Company B.

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On June 3, 2015, a special telephonic meeting of the Anthem board of directors was held. Members of Anthem's senior management and a representative of White & Case also attended this meeting. At the meeting, Mr. Swedish and other members of Anthem's senior management updated the Anthem board of directors regarding the discussions that had occurred between Messrs. Swedish and Cordani and between other representatives of the companies. The Anthem board of directors, senior management and a representative of White & Case discussed the financial, governance and other key terms of a potential combination with Cigna. They also discussed the state of the health benefits industry in general, trends in and prospects for the health benefits industry, the health benefits industry transaction environment, precedent transactions and the value creation opportunities that might be developed through a combination of the two companies. Following these discussions, the Anthem board of directors directed Mr. Swedish to send to Mr. Cordani a written proposal setting forth a proposal to combine the companies on the terms described in the next paragraph.

On June 3, 2015, Mr. Swedish delivered to Mr. Cordani a written, non-binding indication of interest regarding a potential acquisition of Cigna, referred to as the June 3 proposal in this proxy statement/prospectus, while they were both in Utah to attend a conference. The June 3 proposal reflected a purchase price of \$174.00 per share, consisting of approximately 40% cash and 60% Anthem shares, representing a premium of 28% based on the unaffected closing price of Cigna common stock on May 28, 2015, and a pro forma equity ownership of the combined company comprised of approximately 60% Anthem shareholders and 40% Cigna shareholders. Anthem also proposed that the board of directors of the combined company would consist of 14 directors, eight of whom would initially be designated by Anthem and six of whom would initially be designated by Cigna. Anthem's June 3 proposal also proposed that Mr. Swedish would serve as chairman of the board of directors and chief executive officer of the combined company, and Mr. Cordani would serve as its president and chief operating officer and one of the Cigna-designated directors.

Mr. Swedish and Mr. Cordani met during the evening of June 3, 2015 to discuss generally the terms of Anthem's June 3 proposal. Mr. Cordani indicated that the Cigna board of directors would need time to consider the June 3 proposal and that they would speak again soon.

On June 4, 2015, Company B's financial advisor separately contacted representatives of both Morgan Stanley and Credit Suisse indicating that Company B had identified certain issues with respect to its medical reserves, and, as a result, would be delaying the sale process by several weeks. The chief executive officer of Company B also separately telephoned each of Mr. Cordani and Mr. Swedish to communicate the same message.

Also on June 4, 2015, Mr. Cordani met again with Mr. Swedish in Utah. During this meeting, Mr. Swedish reiterated his interest in pursuing a transaction with Cigna, and Mr. Cordani confirmed that the Cigna board of directors was planning to meet to review Anthem's June 3 proposal.

Later on June 4, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended the meeting. At this meeting, members of senior management discussed Anthem's proposal and the most recent discussions with the senior management of Company B and Company B's financial advisors. A representative of Morgan Stanley updated the Cigna board of directors regarding the June 3 proposal, and the recent discussion with Company B's financial advisors relating to the delay in the sale process for Company B and the reasons for this delay. At this meeting, a representative of Cravath reviewed with the Cigna board of directors its fiduciary duties. After discussion, the Cigna board of directors concluded and confirmed that Cigna was not for sale at that time. After further discussion, the Cigna board of directors reached a consensus that senior management and Cigna's financial and legal advisors should continue to explore the possibility of a transaction with Anthem or Company B.

On June 5, 2015, a special telephonic meeting of the Anthem board of directors was held. Members of Anthem's senior management also attended this meeting. At the meeting, Anthem senior management provided an update on discussions with Cigna, a review of the June 3 proposal and noted to the Anthem board that the Cigna board of directors was planning to convene shortly to consider Anthem's June 3 proposal.

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On June 6, 2015, the Cigna board of directors held a special meeting at Cravath's offices in New York City. Members of senior management, representatives of Morgan Stanley and representatives of Cravath also attended portions of the meetings. The Cigna board of directors discussed the potential benefits of a business combination with Anthem as well as the risks related to a transaction with Anthem, including execution and integration risks and considerations relating to the rules governing the BCBSA. The Cigna board of directors discussed the importance of the governance and leadership structure of the combined company in maximizing the likelihood of a successful combination that would, in turn, maximize the value of the stock portion of the consideration that Cigna's shareholders would receive. The Cigna board of directors discussed the value of ensuring that directors from both Anthem and Cigna remain on the board of directors of the combined company in order to provide continuity and retain institutional knowledge from both sides. In addition, the Cigna board of directors noted Cigna's success as a standalone company and the ability of its senior management team to generate meaningful returns through innovation and execution. The Cigna board of directors authorized Mr. Cordani to reply to Anthem's proposal by asking that Anthem raise its offer to a price per share in the mid \$180s. In addition, as a means to maximize the success of the combined company and the value of the stock consideration to be received by Cigna shareholders, the Cigna board of directors directed Mr. Cordani to request that the board of the combined company consist of an equal number of current Anthem directors and current Cigna directors. Additionally, based on the belief of the Cigna board of directors that Anthem had introduced the possibility of an accelerated leadership transition, the Cigna board directed Mr. Cordani to propose that he be appointed chief executive officer of the combined company at the closing of the proposed transaction with Mr. Swedish serving as chairman of the combined company and Mr. Cordani and Mr. Swedish both serving as co-chairmen of the integration team that would lead the integration efforts of the combined company. Anthem denies ever introducing the possibility of an accelerated leadership transition. In addition, the Cigna board of directors concluded that Cigna should continue to explore the possibility of a strategic transaction with Company B.

On June 7, 2015, Mr. Cordani spoke with Mr. Swedish and delivered the counter-proposal that the Cigna board of directors had directed him to deliver at the meeting of the Cigna board of directors the day prior.

On June 9, 2015, a special telephonic meeting of the Anthem board of directors was held during which Mr. Swedish advised the Anthem board of directors of his telephone call with Mr. Cordani on June 7, 2015. The Anthem board of directors, together with senior management and a representative of White & Case, discussed and considered the requests made by the Cigna board of directors. The Anthem board of directors determined to increase the price offered to Cigna shareholders to \$178.00 per share (representing a premium of 31% based on the unaffected closing price of shares of Cigna common stock on May 28, 2015) with a consideration mix of approximately 54% Anthem common stock and 46% cash, and a pro forma equity ownership of the combined company comprised of approximately 62.5% Anthem shareholders and 37.5% Cigna shareholders. The Anthem board of directors also agreed with Cigna's request that Mr. Cordani and Mr. Swedish serve as co-chairmen of the integration team, but were unable to reconcile Cigna's proposed premium with Cigna's requested leadership and governance model and therefore decided to keep the rest of the June 3 proposal the same. Mr. Swedish sent Mr. Cordani a letter on June 10 setting forth Anthem's revised proposal on the foregoing terms, referred to as the "June 10 proposal" in this joint proxy statement/prospectus. Concurrently with delivery of this revised proposal, Mr. Swedish spoke with Mr. Cordani to outline the terms and basis of the revised proposal.

Following the receipt of Anthem's June 10 proposal, representatives of Morgan Stanley spoke with representatives of UBS to clarify certain elements of Anthem's proposal. Representatives of Morgan Stanley and UBS had additional discussions on June 11, 2015 regarding Anthem's proposal, including with respect to the financial terms of Anthem's proposal, including price and consideration mix, and the governance and leadership structure of the combined company.



On June 12, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani gave the Cigna board of directors an update on Anthem's response to Cigna's counter-proposal. A representative of Morgan Stanley then provided a detailed account of the conversations he had with Anthem's financial advisors since the Cigna board of directors meeting on June 6, 2015. Mr. Cordani, together with Cigna's

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financial and legal advisors, then recommended that Cigna focus on three areas in replying back to Anthem: price, governance and leadership. After discussion, the Cigna board of directors then considered next steps, as well as tactical considerations with respect to Cigna's response to Anthem. The Cigna board of directors directed Mr. Cordani to continue to push for more value by asking for a price in the \$180s. Although a price increase was the Cigna board of directors' primary objective, because Anthem's proposal included a significant amount of stock consideration and as a means to maximize the success of the combined company and the value of the stock consideration to be received by Cigna shareholders, the Cigna board of directors also directed Mr. Cordani to request that the combined company board consist of eight current Anthem directors and seven current Cigna directors and to request that certain changes related to executive leadership and the board of directors of the combined company be subject to supermajority approval. Additionally, based on the Cigna board of directors' belief that Anthem was willing to provide assurances to Mr. Cordani relating to his becoming the chief executive officer of the combined company, the Cigna board of directors also directed Mr. Cordani to seek clarity on Anthem's position on the leadership structure of the combined company. Anthem denies ever providing assurances to Mr. Cordani relating to his becoming the chief executive officer of the combined company.

On June 13, 2015, Company A submitted a general indication of interest with respect to an acquisition of 100% of Cigna's common stock at a significant, but unspecified, market premium, in a combination of cash and stock. This indication of interest indicated that Company A could offer market-based, high level deal certainty, but did not contain any meaningful details relating to addressing regulatory risks of a potential combination or other transaction specific details.

On June 14, 2015, Mr. Cordani spoke via telephone with Mr. Swedish in order to convey the response to Anthem's June 10 proposal that had been agreed upon by the Cigna board of directors on June 12. Specifically, Mr. Cordani indicated that the Cigna board of directors was requesting an offer with a higher value to Cigna's shareholders (in the \$180s per share). In addition, Mr. Cordani conveyed the request that the board of directors of the combined company reflect an eight-seven split of current Anthem and Cigna directors and that certain changes related to executive leadership and the board of directors of the combined company be subject to supermajority approval for a period of two to three years after closing. Mr. Cordani also asked for further clarity on Anthem's position on leadership of the combined company.

Later on June 14, 2015, Mr. Cordani spoke with the chief executive officer of Company B, who indicated that Company B believed the issue with its medical reserves that resulted in a delay to Company B's process was modest, and that reengagement would begin next week with a desire for bid letters the following week and the signing of a definitive transaction agreement prior to the end of July.

Also on June 14, 2015, a representative of Morgan Stanley spoke with representatives of UBS to clarify certain of Anthem's most recent positions, including Anthem's position on leadership. Anthem's and Cigna's financial advisors continued to discuss their respective positions the following day.

On June 15, 2015, Mr. Zielinski spoke with Ms. Jones to discuss the details regarding the supermajority provisions that Cigna was requesting.

On June 15, 2015, The Wall Street Journal and other news organizations reported that Anthem had made two takeover bids for Cigna within the prior 10 days, the latest at about \$175 per share. Prior to the publication of these reports, Cigna's stock price had closed at \$137.31 on June 12, 2015. On June 15, 2015, Cigna's stock price closed at \$153.43, an approximately 11.7% increase from the prior closing price.

Later on June 15, 2015, a special telephonic meeting of the Anthem board of directors was held during which Mr. Swedish advised the Anthem board of directors of his telephone call with Mr. Cordani on June 14, 2015 and Cigna's requests with respect to Anthem's proposal to acquire the company. Members of Anthem's senior management and representatives of White & Case and UBS also participated in the meeting. The Anthem board of directors, together with senior management and the company's legal and financial advisors, reviewed and considered the requests made by the Cigna board of directors. They also discussed the state of the health

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benefits industry in general, trends in and prospects for the health benefits industry, the health benefits industry transaction environment, the value creation opportunities that might be developed through a combination of the two companies and potential next steps with respect to the ongoing negotiations between Anthem and Cigna. In light of Cigna's proposed governance requirements coupled with market rumors about a potential acquisition of Company B and Cigna's reported involvement in that process, the possibility of publicly announcing Anthem's proposal to acquire Cigna should Anthem's continued efforts to reach an agreement with Cigna prove unsuccessful was reviewed and considered during this discussion of potential next steps. Following these discussions, the Anthem board of directors determined that they were neither prepared to entertain an additional increase in the purchase price nor accept the Cigna board of directors' positions with respect to leadership and governance of the combined company, given the substantial premium being offered to Cigna's shareholders, and therefore instructed Mr. Swedish to deliver a letter to Mr. Cordani reaffirming the terms of the June 10 proposal. The Anthem board of directors agreed to reconvene after receiving Mr. Cordani's response.

Later that evening on June 15, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani first updated the Cigna board of directors regarding the letter he received from Company A. The Cigna board of directors discussed the appropriate response, if any, to the letter received from Company A and the merits and risks related to engaging in further discussions with Company A, including the relative merits and risks in light of the fact that Anthem's approaches to Cigna had already been made public, thereby permitting Company A to come forward with a more concrete bid, and that the regulatory risks of a potential transaction with Company A had not been addressed by Company A in any meaningful manner. Mr. Cordani then updated the Cigna board of directors on his latest response to the proposal Anthem had submitted on June 10, 2015, including the details of his conversation with Mr. Swedish on June 14. A representative of Morgan Stanley also updated the Cigna board of directors on discussions with representatives of UBS, including Anthem's positions on the financial terms of its proposal and governance and leadership structure, which appeared to the Cigna board of directors to be a departure from the notion of an accelerated leadership transition. Anthem denies that its proposal ever provided for an accelerated leadership transition. Mr. Cordani next updated the Cigna board of directors regarding recent communications with Company B, including communications concerning the fact that Company B indicated that it was close to completing its work investigating the concerns that caused Company B to stop its prior process and was ready to reengage.

On June 16, 2015, Mr. Cordani received a letter from Mr. Swedish reaffirming the terms of Anthem's June 10 proposal, with a proposed purchase price of \$178 per share consisting of 46% cash and 54% Anthem stock, and declining to accept any of the governance and leadership-related changes that Cigna had requested. Later in the afternoon, Mr. Cordani spoke with Mr. Swedish by telephone to discuss the letter and clarify the terms of the proposal. The next day, representatives of Morgan Stanley and UBS engaged in further discussion about Anthem's proposal, including to clarify the leadership plan.

Also on June 16, 2015, representatives of Company B's financial advisor separately contacted representatives of each of Morgan Stanley and Credit Suisse and indicated that Company B was prepared to resume its exploration of a potential transaction. Company B's financial advisor indicated to representatives of Morgan Stanley that Cigna should be prepared to submit a written indication of interest by June 24, 2015, but indicated to representatives of Credit Suisse that Company B was reluctant to have further discussions with Anthem in light of the public reports discussed above that Anthem had made a proposal to acquire Cigna because such a transaction, if consummated, would preclude Anthem from acquiring Company B.

Following the call between representatives of Company B's financial advisor and representatives of Morgan Stanley, Mr. Cordani had a conversation with the chief executive officer of Company B, which included a discussion of the public reports that Cigna had received an acquisition proposal from Anthem. Mr. Cordani indicated that Cigna

continued to be interested in pursuing a transaction with Company B. On June 17, 2015, Company B held a diligence call with members of Cigna's senior management to discuss Company B's medical reserves.

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Also on June 16, 2015, the chief executive officer of Company B called Mr. Swedish regarding the resumption of Company B's sales process. Mr. Swedish reiterated to the chief executive officer of Company B that Anthem was still interested in a potential transaction with Company B, but that he was not prepared to discuss any specifics of Anthem's publicly reported proposal to acquire Cigna. The chief executive officer of Company B then communicated to Mr. Swedish that Company B was not prepared at that time to engage in further due diligence with Anthem. Representatives of Company B's financial advisor then subsequently informed representatives of Credit Suisse that Anthem was no longer being invited to participate further in Company B's sales process and was not being invited to submit an indication of interest.

On June 17, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani reported that Anthem had not agreed to increase its price above \$178 per share, did not meet Cigna's request on governance and held firm on its position with respect to leadership of the combined company. The Cigna board of directors reached consensus that Mr. Cordani should call Mr. Swedish to discuss Cigna's concerns and see if there were mutually satisfactory ways to resolve the open issues.

On June 18, 2015, the Anthem board of directors convened a special telephonic meeting to discuss the current status of discussions between Anthem and Cigna regarding the proposed transaction. Members of Anthem's senior management and a representative of White & Case also participated in the meeting. Mr. DeVeydt led the Anthem board of directors through a review of the financial projections, synergy opportunities, financial analysis and financing plans relating to the proposed transaction with Cigna, including that UBS and Credit Suisse would likely form a part of a lender group that could likely provide committed financing in connection with the proposed transaction. Mr. DeVeydt also noted that, in addition to UBS, Anthem had been working with Credit Suisse to perform investment banking services in connection with the proposed transaction. The Anthem board of directors discussed the advisability of formally engaging UBS and Credit Suisse as Anthem's financial advisors in connection with evaluating a potential strategic transaction with Cigna and authorized Mr. DeVeydt to formally engage UBS and Credit Suisse as Anthem's financial advisors. The Anthem board of directors, together with senior management, thoroughly discussed and considered the strategic rationale for the transaction, the value creation opportunities that might be developed through a combination of the two companies, the economic and other material terms of the proposal, precedent transactions and the current market rumors about a potential imminent announcement of an acquisition of Company B and Cigna's potential involvement in that process. Mr. Swedish advised the Anthem board of directors that he was scheduled to speak with Mr. Cordani later that same evening to discuss Cigna's response to Anthem's latest proposal. The Anthem board of directors, together with senior management and a representative of White & Case, also thoroughly discussed and considered Cigna's potential responses to Anthem's latest proposal to combine the companies and the various ways in which Anthem might proceed in each of those scenarios. Following these discussions, the Anthem board of directors determined that the companies should enter into an exclusivity agreement in order to productively and efficiently negotiate the terms of a potential strategic transaction between the companies and that, if Cigna continued to resist Anthem's proposal and would not agree to such exclusivity, a potential path forward would be for Anthem to make its proposal public. At the end of the meeting, the Anthem board of directors made arrangements to reconvene later that evening after the planned telephone meeting between Mr. Swedish and Mr. Cordani.

Later on June 18, 2015, prior to their scheduled call later that evening, Mr. Cordani delivered to Mr. Swedish a written response to Anthem's latest proposals. In the letter, Mr. Cordani reiterated Cigna's view that an acceptable price per share would have to be in the \$180s. With respect to governance, this response proposed that the board of directors of the combined company consist of 15 directors, eight of whom would be designated by Anthem and seven of whom would be designated by Cigna, subject to Anthem agreeing that certain decisions would be subject to a supermajority vote of directors for a period of two to three years following the closing of the proposed transaction, including

changes with respect to senior leadership, decisions to not re-nominate directors or to remove directors and changes in the size of the board of directors. Finally, given the view of the Cigna board of directors that minimizing the risk of disruption from a post-transaction

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change in leadership, and creating certainty and clarity of leadership roles for employees and shareholders, were both in the best interest of the combined company, the letter indicated that, although the Cigna board of directors believed that the leadership configuration it proposed, with that of Mr. Cordani assuming the role of chief executive officer at closing, was best for the combined company and ultimately its collective shareholders, Cigna remained open to constructively discussing the leadership configuration of the combined company with the clear objective of ensuring that the combined company effectively execute post-closing to maximize shareholder value creation. Cigna's letter also noted that Cigna was hopeful that the parties could advance certain fundamental diligence matters, including Cigna's understanding of the implications of the agreements and rules governing the BCBSA. Mr. Cordani spoke with Mr. Swedish shortly after the delivery of this letter to discuss its terms and indicated that Cigna remained ready for a constructive dialogue with Anthem on the terms of a potential business combination.

As planned, the Anthem board of directors reconvened for a special telephonic meeting on June 18 following Anthem's receipt of Cigna's letter earlier that evening and the subsequent conversation between Mr. Swedish and Mr. Cordani. Members of Anthem's senior management and representatives of White & Case and UBS also participated in the meeting. At the beginning of the meeting, Mr. Swedish updated the Anthem board of directors regarding his call with Mr. Cordani. The Anthem board of directors, together with senior management and representatives of White & Case and UBS, then reviewed and considered the financial and other key terms set forth in the letter from Mr. Cordani received earlier that day and later communicated to Mr. Swedish during his subsequent telephone meeting with Mr. Cordani. Following such discussions, the Anthem board of directors determined to present Cigna with a revised proposal on the following terms: (1) Cigna shareholders would receive a value of \$184.00 per share (representing a premium of 35.5% based on the unaffected closing price of shares of Cigna common stock on May 28, 2015) with a consideration mix of approximately 31.4% Anthem common stock and 68.6% cash; (2) pro forma equity ownership of the combined company would be comprised of approximately 76.3% Anthem shareholders and 23.7% Cigna shareholders; (3) the combined company would reflect a board split of ten Anthem directors and three current Cigna directors in light of the substantial premium and amount of cash consideration now being offered; (4) Mr. Swedish would continue to serve as president and chief executive officer of the combined company and would also serve as the chairman of the board of directors of the combined company; and (5) Anthem would entertain Cigna's request for supermajority board approval protections with respect to certain matters for a period of two years following the closing of the proposed transaction. The Anthem board of directors also reviewed with senior management the current market environment, the other opportunities in Anthem's sector and the favorable advantages attributable to being the first mover and agreed that time was of the essence. In addition, after further discussion and consideration, the Anthem board of directors determined that it would be in the best interests of Anthem shareholders and Cigna shareholders to publicly release the terms of Anthem's proposal to combine the two companies if Anthem continued to receive an unfavorable reply from Cigna.

Later that night on June 18, 2015, following the meeting of the Anthem board of directors, Mr. Swedish delivered a revised non-binding indication of interest outlining the proposal described above, which represented a significant shift towards cash in the mix of consideration as compared to Anthem's prior proposals. The letter indicated that this was Anthem's best and final proposal. The letter enclosed an exclusivity letter that Anthem requested be countersigned by Cigna no later than 3:00 p.m., New York City time, on June 19, 2015; otherwise, Anthem indicated it intended to terminate the ongoing discussions and that Anthem would reserve its right to pursue a transaction to the benefit of Cigna and its shareholders. The terms of the proposed mutual exclusivity agreement required each party to deal exclusively with the other and would have prohibited Cigna from engaging in discussions with Company A and Company B through July 6, 2015.

On June 19, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. The Cigna board of directors discussed Anthem's most recent proposal, including the sudden shift in tone and approach. After



discussion, the Cigna board of directors directed representatives of Morgan Stanley to reach out to representatives of UBS after the meeting to confirm that Anthem would receive a response from Cigna later

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that same day and that Cigna would work to respond as soon as possible, but that the response may come before or after the 3:00 p.m. deadline imposed by Anthem. The Cigna board of directors considered Anthem's request for exclusivity and, after discussion, including seeking the input of Cigna's financial and legal advisors, concluded that it was not in the best interests of Cigna's shareholders to enter into any exclusivity agreement. The Cigna board of directors also determined to send Mr. Swedish a response letter with the terms described in the next paragraph.

On the afternoon of June 19, 2015, Mr. Cordani sent Mr. Swedish a letter setting forth the terms on which Cigna would be interested in engaging in a potential transaction: (1) appreciation of Anthem's willingness to provide Cigna shareholders with a balanced share of the value of the combined company based on Anthem's proposed price of \$184 per share, but requesting a consideration mix of 50% cash and 50% Anthem common stock to allow both Anthem and Cigna shareholders to share appropriately in the economic benefits of a combination; (2) a combined company board split of eight current Anthem directors and six current Cigna directors; (3) supermajority board approval protections with respect to the 8-6 board split; and (4) that Mr. Swedish would continue to serve as chief executive officer of the combined company for 12 months following closing and would serve as chairman of the board of directors of the combined company for 24 months following closing and that Mr. Swedish and Mr. Cordani would serve as co-chairmen of the integration team. Although Cigna did not return the countersigned exclusivity letter as requested by Anthem, Mr. Cordani noted in this letter that Cigna was willing to commit not to announce an alternative strategic transaction through Monday, June 22nd. In addition, Cigna's letter indicated that Cigna welcomed the opportunity to meet with representatives of Anthem as early as the next day (June 20th) to resolve any remaining differences on the key transaction elements.

Also on June 19, 2015, Cigna responded to Company A's informal indication of interest noting the dynamic environment that the health care industry is currently in and Cigna's confidence regarding its position in the marketplace at that time.

Upon receipt of Mr. Cordani's June 19, 2015 letter, members of Anthem's senior management along with representatives of White & Case and UBS reviewed and considered the requests made in Mr. Cordani's letter. Anthem's senior management then instructed representatives of UBS to convey to representatives of Morgan Stanley a counter-proposal reflecting a price of \$184 per share with a consideration mix of 60% cash and 40% Anthem common stock, a combined company board split of eight current Anthem directors and six current Cigna directors, with Mr. Swedish serving as chief executive officer for 24 months post-closing and no limitation on Mr. Swedish serving as chairman of the board of directors of the combined company, and with Mr. Cordani serving as president and chief operating officer of the combined company for two years post-closing but no guarantee that Mr. Cordani would become chief executive officer after such time.

During the evening of June 19, 2015, representatives of UBS conveyed to representatives of Morgan Stanley Anthem's counter-proposal, including the fact that the Anthem board of directors would not guarantee that Mr. Cordani would succeed to the chief executive officer position upon the conclusion of such 24 month period. Representatives of UBS also communicated to representatives of Morgan Stanley Anthem's desire for a two week exclusivity period to negotiate the terms of a definitive merger agreement. Throughout the evening of June 19, 2015, representatives of Morgan Stanley and UBS continued to discuss, by way of a number of phone calls, Anthem's counter-proposal.

Also during the evening of June 19, 2015, a representative of White & Case spoke with a representative of Cravath requesting confirmation of Cigna's assurance that it was not planning to announce an alternative transaction over the weekend. A representative of Cravath provided assurance that Cigna was not planning to announce an alternative transaction over the weekend but noted that Cigna would not agree to exclusivity in light of the existing circumstances. At Mr. Zielinski's request, Ms. Jones provided a similar assurance with respect to whether or not Cigna was planning to announce a transaction over the weekend, but indicated that Cigna would respond to Anthem's

counter-proposal after Cigna's board meeting the following day.

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At the end of the evening, representatives of Morgan Stanley informed representatives of UBS that Anthem needed to put its proposal in writing to facilitate the Cigna board of directors' review and to ensure clarity on the specific terms of the proposal, and indicated that if Anthem did not put its proposal in writing Cigna would not respond to Anthem's counter-proposal the following day.

In light of this stated position, Anthem senior management along with its legal and financial advisors had detailed discussions about next steps throughout that evening and the following morning and, based on the authority granted by the Anthem board of directors at its meeting on June 18th, decided to not respond to Cigna in writing and instead publicly release the terms of its June 18 proposal.

On June 20, 2015, the Cigna board of directors held a special telephonic meeting at 11:00 a.m., New York City time, that had previously been scheduled to discuss the general status of Cigna's discussions with respect to strategic alternatives. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. At this meeting, Mr. Cordani and representatives of Morgan Stanley and Cravath updated the Cigna board of directors regarding the most recent communications from Anthem's advisors. Members of senior management also updated the Cigna board of directors regarding outstanding diligence issues, including the fact that no additional information had been provided to address Cigna's concerns. After discussion, the Cigna board of directors determined to maintain the position reached during the June 19th board meeting but to continue to request an in-person meeting.

While the meeting of the Cigna board of directors was still in session, at approximately 11:45 a.m., New York City time, Mr. Zielinski emailed Ms. Jones stating Anthem's termination of discussions with Cigna and the mutual non-disclosure agreement between the companies. Shortly after Mr. Zielinski's email, Mr. Swedish emailed to Mr. Cordani a revised written offer addressed to the Cigna board of directors, which Anthem made public along with a press release. In its June 20th letter, Anthem reiterated the economic terms of its June 18th proposal. A copy of the press release, including the full text of the proposal letter delivered to the Cigna board of directors, is attached as Exhibit 99.3 to the Current Report on Form 8-K filed by Anthem on June 22, 2015.

Mr. Cordani had previously scheduled calls during the early afternoon on June 20, 2015, with the chief executive officers of Company A and Company B. Mr. Cordani kept these scheduled calls.

Later on June 20, 2015, the Cigna board of directors held a second special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani updated the Cigna board regarding Anthem's publicly released letter. Following discussion, the Cigna board of directors determined that Cigna should respond to Anthem's letter with its own public letter, which would serve to make Cigna's positions clear to Cigna's shareholders and the Anthem board of directors.

Also on June 20, 2015, the Anthem board of directors held a special telephonic meeting. Members of Anthem's senior management and representatives of UBS and White & Case also attended portions of the meeting. At the meeting, Mr. Swedish reported on the status of recent events, including the Anthem press release announcing its proposal to acquire Cigna. Mr. Zielinski reported that the BCBSA had been informed of the proposed acquisition of Cigna. Mr. DeVeydt reported on his conversation with various rating agencies and reviewed the initial positive reaction from Anthem shareholders regarding the proposed acquisition. Mr. DeVeydt also noted that Anthem would likely be scheduling an investor conference call for the beginning of the following week.

On June 21, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani, referring to material distributed in advance of the meeting, reviewed a draft letter to be issued in response to Anthem's

public proposal. Members of Cigna's senior management and Cigna's financial and legal advisors responded to the directors' questions and outlined Cigna's response strategy. At the request of the Cigna

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board of directors, a representative of Cravath again reviewed a director's fiduciary duties under Delaware law in assessing strategic alternatives, including the Cigna board of directors' duties in the context of Anthem's public letter. Then, Mr. Cordani reviewed his discussions with the chief executive officers of each of Company A and Company B, which had occurred on June 20. The Cigna board of directors then confirmed approval of the planned next steps with respect to the press release and written communication to Anthem.

On June 21, 2015, Cigna issued a press release including a letter from Mr. Cordani and Mr. Harris to the Anthem board of directors responding to Anthem's public offer and determining that offer to be inadequate. The letter emphasized that although a combination of Anthem and Cigna, under the right circumstances, has the potential to provide substantial benefits to the shareholders of both companies and to consumers of healthcare services and healthcare professionals, there remained a number of unresolved diligence issues and material terms relating to a potential transaction. Cigna's letter emphasized Cigna's industry-leading performance as a standalone company. Cigna's letter also noted that the proposed allocation of shareholder value was skewed in favor of Anthem's shareholders. In addition, Cigna noted considerable concern about Mr. Swedish assuming four critical roles, including chairman of the board of directors, chief executive officer, president and leader of the integration team. Finally, Cigna's letter noted that there were still a number of fundamental diligence questions that Anthem had yet to adequately address, including the ability of the combined company to comply with, and operate successfully under, the BCBSA's rules, the pending BCBSA antitrust litigation and potential risks and liabilities associated with Anthem's data breach in February 2015. A copy of the press release, including the full text of the letter delivered to the Anthem board of directors, is attached as Exhibit 99.1 to the Current Report on Form 8-K filed by Cigna on June 22, 2015.

Later on June 21, 2015, Mr. Cordani spoke with the chief executive officer of Company B, and Mr. Cordani confirmed that Cigna remained interested in pursuing a transaction with Company B and expected to submit an indication of interest to acquire Company B on June 24th.

On June 23, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Mr. Cordani and Mr. McCarthy provided the Cigna board of directors with an update on investor reaction to Anthem's proposal and Cigna's response as well as recent press coverage relating to the potential transaction. After representatives of Morgan Stanley had left the meeting, a representative of Cravath discussed the proposed terms of Morgan Stanley's engagement, including the proposed fee structures in light of the various strategic alternatives available to Cigna. After consideration of the various potential fee structures as they related to Cigna's potential alternatives and the question of whether such fee structures give rise to a conflict of interest, the Cigna board of directors determined that there was no evidence that Morgan Stanley was in fact swayed by the fee structures. Accordingly, the Cigna board of directors decided that it was neither necessary nor advisable to engage a second financial advisor. On June 29, 2015, Cigna executed an engagement letter with Morgan Stanley on the terms previously approved by the Cigna board of directors.

Also on June 23, 2015, the Anthem board of directors convened a special telephonic board meeting. Members of Anthem's senior management and representatives of UBS and White & Case also attended the meeting. During this meeting, Anthem's senior management updated the Anthem board of directors on the market's general reaction to the public release of Anthem's proposal and the terms of a revised proposal to be communicated to the Cigna board of directors in the hopes that it would guide the parties back to a path that would lead to a transaction. Following that meeting, representatives of UBS contacted representatives of Morgan Stanley and conveyed the terms of Anthem's revised proposal, which included a consideration mix of 60% cash and 40% stock and a board of directors consisting of nine current Anthem directors and four current Cigna directors. Anthem's revised proposal was meant to address Cigna's prior concerns, including more stock consideration, additional board seats, and again offering Mr. Cordani the position of president and chief operating officer in the combined company as well as a seat on its board of directors.



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On June 24, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. At this meeting, members of Cigna's senior management and representatives of Morgan Stanley presented the possible bid alternatives in light of the upcoming bid deadline for Company B. A representative of Cravath then reviewed the applicable legal framework for the Cigna board of directors as it continued to review Cigna's strategic alternatives. The Cigna board of directors then determined that Cigna should proceed to submit a non-binding offer for Company B that included a mix of cash and stock consideration at levels that would require approval of Cigna's shareholders. The Cigna board of directors discussed the importance of maintaining a mix of cash and stock consideration at levels that would require a Cigna shareholder vote to approve the issuance of Cigna's shares in order to provide Cigna's shareholders with an opportunity to vote on any potential combination with Company B. The Cigna board of directors also determined that Cigna's senior management should again attempt to meet with Anthem's senior management to better understand the risks and uncertainties relating to Cigna's various unresolved diligence questions relating to Anthem and that the Cigna board of directors would further consider Anthem's June 23rd proposal at a future meeting of the Cigna board of directors.

Later that day, Cigna delivered a letter to Company B containing a non-binding indication of interest to acquire 100% of Company B's outstanding shares for \$225 per share, with a consideration mix of 50% cash and 50% new Cigna equity. Following delivery of this letter, representatives of Morgan Stanley spoke with Company B's financial advisor via telephone to further discuss the terms of Cigna's proposal. Representatives of Company B's financial advisor indicated to Morgan Stanley that, in light of the public reports that Anthem had approached Cigna with respect to a transaction, Company B would be willing to explore a potential transaction with Cigna, if Cigna would present Company B with a proposal that would increase certainty of Cigna's ability to close the transaction.

Also later that day, Ms. Jones spoke with Mr. Zielinski regarding setting up a meeting between Anthem's and Cigna's management to discuss Cigna's diligence questions. Representatives of Morgan Stanley contacted representatives of UBS on June 24, 2015 and stated that although it was not in a position to respond to Anthem's revised proposal, Cigna was requesting a meeting among members of the companies' respective senior leadership teams to discuss the areas of concern that Cigna raised in its June 21, 2015 letter. Despite Anthem's reluctance to meet without a favorable response from Cigna on its revised proposal it agreed to do so and two meetings were scheduled for June 26 and 30, 2015, respectively.

On June 26, 2015, members of the senior management of Anthem and Cigna conducted a business due diligence session in Philadelphia, Pennsylvania. Prior to this session, the parties agreed to reinstate the terms of their mutual non-disclosure agreement. As part of this diligence session, Anthem's management discussed the rules relating to the BCBSA and Anthem's plans for integrating Cigna's business in compliance with these rules. Anthem's management also provided details as to the expected impact of the BCBSA's rules on the operations of the combined company. Anthem next updated Cigna regarding the pending BCBSA antitrust litigation. Anthem also provided Cigna's management with additional information relating to Anthem's February 2015 data breach. The management teams agreed that their respective IT teams should discuss the technical details relating to Anthem's February 2015 data breach, and this discussion and additional exchange of information relating to the data breach occurred over the following weeks.

On June 27, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. At this meeting, members of Cigna's senior management updated the Cigna board of directors regarding the diligence meeting with Anthem that was held the day before, including the additional information that Anthem had provided Cigna to assist Cigna in completing its diligence review. Mr. Cordani then reviewed with the Cigna board of directors the upcoming meeting between Anthem's and Cigna's chairmen, chief executive officers, chief financial officers and



general counsels.

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On June 30, 2015, an in-person meeting was held in Detroit, Michigan, between Anthem's and Cigna's chairmen, chief executive officers, chief financial officers and general counsels. At this meeting, representatives of Anthem and Cigna discussed the strategic merits of a combination, including the potential synergies that a combination could create, and Anthem's approach to financing the cash portion of the consideration of any potential transaction. In addition, representatives of Anthem provided details relating to the BCBSA and the best efforts rules. Anthem's and Cigna's chairmen and chief executive officers also discussed each company's approach on governance and the leadership of the combined company.

On July 1, 2015, the Cigna board of directors held a special in-person meeting in Chicago, Illinois. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. A representative of Cravath provided an overview of the potential alternatives available to Cigna. The Cigna board of directors then engaged in a discussion as to the merits and risks of proactively reaching out to Company A regarding a potential transaction. Representatives of Morgan Stanley and Cravath also noted that Anthem's proposals to acquire Cigna were widely publicized and all industry participants should be well aware of the potential transactions being contemplated by other industry participants. After weighing the advantages and disadvantages of affirmatively reaching out to Company A, the Cigna board concluded that it was not in the best interests of Cigna to do so. Members of senior management then reviewed with the Cigna board the possible alternatives available to Cigna, including remaining a stand-alone company (including in light of other potential transactions that might be announced in the near future), pursuing a negotiated transaction with Anthem and pursuing a transaction with Company B. After discussion, the Cigna board authorized management and Cigna's financial and legal advisors to contact Anthem and indicate that Cigna would consider an offer with a price in the high \$180s per share with a mix of cash and stock consideration that would provide Cigna's shareholders with both a significant cash and stock component and a combined company board of directors composed of eight current directors from Anthem and five current directors from Cigna, reflecting the approximate pro forma ownership of the combined company.

Also on July 1, 2015, the Anthem board of directors held a telephonic meeting and received an update from senior management on the status of discussions between the parties relating to diligence and the terms of the proposed combination.

On July 2, 2015, Company B's financial advisor contacted representatives of Morgan Stanley to indicate that Company B would consider a cash-heavy transaction. During this discussion, Company B's financial advisor confirmed that Company B was only requiring a cash-heavy consideration mix from Cigna and not any other potential acquirors. Representatives of Morgan Stanley indicated that, while Cigna might be willing to increase the cash consideration portion of its offer, such a structure would entail additional costs that must be taken into account. Representatives of Morgan Stanley also noted that Cigna had submitted a written indication of interest on June 24th, which indication of interest remained Cigna's position at that time.

Also on July 2, 2015, representatives of Morgan Stanley proposed to representatives of UBS a transaction at a price of \$188 per share of Cigna common stock (with an approximately 50% cash / 50% stock split) and a board of directors consisting of eight current directors from Anthem and five current directors of Cigna without any supermajority provisions. Representatives of Morgan Stanley also communicated agreement to Anthem's proposal with respect to leadership of the combined company, including that Mr. Cordani would serve as president and chief operating officer of the combined company with no guarantee of chief executive officer succession.

Later that same day, a special telephonic meeting of the Anthem board of directors was held. Members of Anthem's senior management and representatives of White & Case and UBS also attended this meeting. An update on the discussions with Cigna was provided to the Anthem board of directors by senior management and representatives of UBS. During the meeting, Anthem senior management presented the board of directors with a detailed financial

analysis of an acquisition of Cigna at a range of various prices up to \$188 per share, including that the transaction would continue to be substantially accretive to Anthem's adjusted earnings per share even at

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the upper end of that range. At the conclusion of the meeting the Anthem board of directors supported providing Cigna with an increased offer, initially to be conveyed at \$186 per share, consisting of approximately 45% Anthem shares and 55% cash, and a board of directors consisting of the nine current Anthem directors and five current Cigna directors. This proposal was then communicated by representatives of UBS to representatives of Morgan Stanley. As part of the agreement to increase its price to \$186 per share, representatives of each of UBS and Morgan Stanley agreed that the reference point for determining the exchange ratio would be fixed at Anthem's unaffected stock price as of May 28, 2015.

On July 3, 2015, representatives of Morgan Stanley contacted representatives of UBS to continue to push on price, by asking for a price of \$188 per share (with a 55% cash / 45% stock split).

On July 4, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Members of Cigna's senior management updated the Cigna board on the most recent discussions with Anthem that had transpired over the past several days. Mr. Cordani confirmed that Cigna was still waiting to hear back from Anthem on whether Anthem would increase its price to \$188 per share. A representative of Cravath again discussed the fiduciary duties of the Cigna board. The Cigna board of directors confirmed Mr. Cordani's authority to continue to negotiate the best price possible for Cigna's shareholders. Later on July 4, 2015, Mr. Cordani and Mr. Swedish spoke via telephone and reached a preliminary agreement on an offer of \$187 per share, subject to negotiation of definitive documents, to consist of 55% cash and 45% Anthem stock, and with the board of directors of the combined company to consist of the nine current Anthem directors and five current Cigna directors. Mr. Cordani and Mr. Swedish agreed to take this proposal back to the boards of directors of their respective companies and move expeditiously with confirmatory due diligence and towards negotiating a definitive merger agreement, but Mr. Cordani noted that Cigna would not be willing to formally sign an exclusivity agreement. Later that day, Mr. Cordani and Mr. Swedish updated their respective boards of directors about this discussion and the agreement upon \$187 per share.

On July 6, 2015, Cigna and Anthem exchanged confirmatory due diligence request lists.

Also on July 6, 2015, a representative of Cravath sent an initial draft of a merger agreement to White & Case. In addition to a number of other key terms, the Cravath draft merger agreement included the following terms: (1) a regulatory reverse termination fee of an unspecified amount, (2) harmonization of Cigna's and Anthem's dividend policies by allowing Cigna to pay dividends during the period between the signing and the closing of the transaction equal to that of Anthem's quarterly dividend multiplied by the exchange ratio and (3) a ticking fee of 5% on the cash consideration starting in July 2016 until closing. Later that day, a representative of White & Case called a representative of Cravath to indicate that White & Case had its own draft of the merger agreement in progress. Mr. Zielinski also e-mailed representatives of Cravath and Ms. Jones that day to note that, as the acquiring entity, it would be more appropriate for Anthem to prepare the initial draft merger agreement.

Following receipt of the initial Cravath draft merger agreement, Anthem senior management discussed with White & Case Cigna's proposed regulatory reverse termination fee, harmonization of dividends and ticking fee and concluded that these provisions were fundamentally economic issues that were equivalent to purchase price increases and therefore not appropriate in light of the agreement reached by Mr. Cordani and Mr. Swedish on July 4, 2015 regarding the price to be paid by Anthem.

On July 7, 2015, Cigna provided Anthem with access to its electronic data room, and on July 8, 2015, Anthem provided Cigna with access to its electronic data room. Both Cigna and Anthem conducted documentary due diligence through July 23, 2015. In addition, during the course of the next several weeks through July 23, 2015, members of Cigna's senior management, together with Cigna's legal and financial advisors, conducted a series of diligence sessions

regarding the rules of the BCBSA, the pending BCBSA antitrust litigation, Anthem's February 2015 data breach, as well as on other topics, and members of Anthem's senior management, together with Anthem's legal and financial advisors, conducted a series of diligence sessions to complete its confirmatory

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legal and financial due diligence of Cigna. Members of Cigna's senior management and representatives of Cravath also performed documentary due diligence on the BCBSA documents that Anthem had not previously made available to Cigna. This process included meetings between Mr. Swedish, other members of Anthem's senior management and representatives of its financial and legal advisors and Mr. Cordani, other members of Cigna's senior management and representatives of its financial and legal advisors. Throughout these meetings, the Anthem team and the Cigna team each also presented an overview of its company and its company's business strategies and plans and discussed various legal and financial diligence related questions posed by the other team.

On July 9, 2015, a representative of White & Case sent to Cravath its initial draft of the merger agreement. The merger agreement provided for merger consideration equal to \$102.85 in cash and 0.5124 shares of Anthem common stock per share of Cigna common stock. The draft merger agreement did not provide for a regulatory reverse termination fee, limited Cigna's ability to pay dividends during the interim period between the signing and the closing of the transaction to its regular annual dividend of \$0.04 per share (as compared to Anthem's current quarterly dividend of \$0.625 per share) and did not include a ticking fee.

On July 11, 2015, the Anthem board of directors convened a special telephonic meeting. Members of Anthem senior management also attended this meeting. At the meeting, Mr. Swedish provided an update on the status of discussions with Cigna and Messrs. Zielinski and DeVeydt discussed the results of the due diligence undertaken to date and the process going forward. In addition, Mr. Zielinski reviewed several provisions being negotiated related to the merger agreement, including the potential inclusion of a regulatory reverse termination fee and the potential employment arrangement for Mr. Cordani post-closing. In addition, Mr. DeVeydt reported on the status on Anthem's financing plans for the potential transaction.

Also on July 11, 2015, a representative of Cravath sent to White & Case a markup of White & Case's initial draft of the merger agreement that contained a number of changes that representatives of Cravath conveyed to White & Case earlier that day would be included in the revised draft. These changes included a regulatory reverse termination fee equal to 8% of the equity value of the transaction, harmonization of Cigna's and Anthem's dividend policies consistent with the approach in Cravath's July 6th draft and a ticking fee of 5% on the cash consideration starting in July 2016 until closing.

On July 12, 2015, Mr. Zielinski emailed Ms. Jones and indicated that Anthem's position on the provisions for a regulatory reverse termination fee, dividend harmonization and a ticking fee had not changed, and that these provisions continued to be unacceptable.

On July 13, 2015, Mr. McCarthy, Ms. Jones and other members of the senior management of Cigna met with Mr. Zielinski and other members of the senior management of Anthem, together with representatives from White & Case and Cravath, at the offices of Cravath in New York City in order to discuss and negotiate the terms of the merger agreement.

On July 15, 2015, the Cigna board of directors held a special meeting at the offices of Cravath in New York City. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Representatives of Cravath provided an overview of the fiduciary duties applicable to the Cigna board of directors, as well as an overview of the current state of the merger agreement and various deal terms. Representatives of Morgan Stanley also provided an overview of the proposed transaction terms and a preliminary financial analysis of the transaction. A member of management and a representative of Morgan Stanley also gave an overview of the recent announcement that Company B had agreed to be acquired.

Later in the day on July 15, 2015, a representative of White & Case sent to Cravath a markup of the merger agreement that provided for a regulatory reverse termination fee equal to 3.25% of the equity value of the transaction, no dividend harmonization and no ticking fee.

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On July 16, 2015, a representative of White & Case sent to Cravath for delivery to Mr. Cordani's counsel an initial draft of the offer letter with respect to Mr. Cordani's employment with the combined company as president and chief operating officer upon the completion of the merger. Mr. Cordani and Anthem continued to negotiate the terms of such offer letter through July 23, 2015.

On July 17, 2015, the Anthem board of directors convened a special telephonic meeting. Members of Anthem's senior management and a representative of White & Case also participated in the meeting. The Anthem board of directors, together with senior management, thoroughly discussed and considered the strategic rationale for the transaction and the status of the economic and other material terms of the proposal and authorized senior management to continue discussions with Cigna. Mr. Zielinski also reviewed with the Anthem board of directors the key terms of the proposed merger agreement and the Anthem board of directors was briefed upon and considered the various unresolved issues regarding the proposed transaction, which included the inclusion and potential size of the regulatory reverse termination fee, the parties' various positions on dividend harmonization and what the financial impact would be on the overall transaction by agreeing to various forms of dividend harmonization.

Later in the day on July 17, 2015, a representative of Cravath sent to White & Case a markup of the merger agreement reflecting a regulatory reverse termination fee equal to 4.5% of the equity value of the transaction and the ability for Cigna to pay a quarterly dividend of \$0.52 per share (which would result in an equivalent dividend yield for Cigna shareholders and Anthem shareholders based on the unaffected stock prices of Cigna and Anthem, given Anthem's current quarterly dividend of \$0.625 per share). This draft of the merger agreement no longer included a ticking fee. Over the weekend, White & Case circulated to Cravath a material issues list setting forth the remaining issues in the merger agreement and had a telephone conversation to discuss the parties' respective positions on these issues, which included the size of the regulatory reverse termination fee and the extent to which any form of dividend harmonization may be acceptable to Anthem.

On July 20, 2015, Mr. McCarthy, Ms. Jones and other members of the senior management of Cigna again met with Mr. Zielinski and other members of the senior management of Anthem, together with representatives from White & Case and Cravath, at the offices of Cravath in New York City in order to discuss and negotiate the terms of the merger agreement. At the conclusion of this meeting and based on prior discussions of the Anthem board of directors, Anthem indicated it was willing to increase the merger consideration to \$188 per share and presented Cigna with its best and final position on the remaining material issues in the merger agreement, which included a proposed regulatory reverse termination fee equal to 3.8% of the equity value of the transaction (the same size as the fiduciary termination fee). The increase in the merger consideration to \$188 per share resulted in total cash consideration of \$103.40 and an exchange ratio of 0.5152.

During the course of the next several days representatives of Anthem and Cigna discussed the issue of dividend harmonization, which resulted in agreement that Cigna would be able to declare quarterly dividends (or one or more special dividends) in an amount equal to Anthem's dividend multiplied by the exchange ratio of 0.5152. However, the first \$2.50 of dividends paid by Anthem following announcement of the transaction (i.e., the first four quarterly interim periods multiplied by Anthem's current \$0.625 quarterly dividend) would not be subject to this dividend harmonization. In particular, Cigna would be permitted to pay a quarterly dividend starting in the third quarter of 2016 in an amount equal to Anthem's quarterly dividend multiplied by the exchange ratio. In addition, to the extent Anthem increased its dividend in the first half of 2016, Cigna would be permitted to pay a quarterly dividend in the amount of any such increase multiplied by the exchange ratio.

On July 22, 2015, the Cigna board of directors held a regularly scheduled telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. At this meeting, Mr. Cordani and a representative of Cravath updated the Cigna board on the current status of negotiations.



After discussion, the Cigna board of directors authorized Mr. Cordani and other members of senior management as well as Morgan Stanley and Cravath to continue to negotiate the final terms of the transaction.

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On the morning of July 23, 2015, the Anthem board of directors convened a special telephonic meeting. Members of Anthem's senior management and representatives of White & Case, UBS and Credit Suisse also participated in the meeting. Prior to the meeting, Anthem's directors had been provided with a set of meeting materials, including a copy of a draft definitive merger agreement, an executive summary of the material terms and conditions of the merger agreement, a financial analysis of the consideration proposed to be paid in the merger prepared by each of UBS, Credit Suisse and Anthem senior management and a set of draft board resolutions. Mr. Swedish then reviewed the activities and discussions of the previous few weeks, and presented a summary of the proposed transaction, the rationale that supported the proposed transaction, and the financial and strategic benefits that the proposed transaction was expected to create. Mr. DeVeydt and other members of Anthem management presented the financial forecast and synergies upon which the merger valuation was predicated and reviewed the synergy opportunities and financing plans related to the proposed transaction. A representative of White & Case reviewed in detail with the Anthem board of directors information regarding the proposed transaction, including a comprehensive overview of the terms of the merger agreement. A representative of White & Case also reviewed with the Anthem board of directors the fiduciary duties of the directors under Indiana law in connection with the proposed transaction. At this meeting, on July 23, 2015, representatives of each of the Anthem financial advisors, UBS and Credit Suisse, reviewed the financial terms of the merger agreement, presented certain detailed financial analyses conducted by such financial advisor in connection with the proposed transaction and delivered an oral opinion, which such oral opinions were respectively and subsequently confirmed by delivery of a written opinion of UBS, dated July 24, 2015, and a written opinion of Credit Suisse, dated July 23, 2015, that, as of the date of each such opinion, and based on and subject to various assumptions made, matters considered and limitations described in each such financial advisor's written opinion, the consideration to be paid by Anthem in the merger was fair, from a financial point of view, to Anthem. Each of UBS's and Credit Suisse's opinions are more fully described in the section titled *Opinions of Anthem's Financial Advisors* beginning on page 126 of this joint proxy statement/prospectus. At the conclusion of the meeting, the Anthem board of directors by unanimous vote of those directors voting with one absent director separately indicating agreement (1) declared that the proposed merger and the other transactions contemplated by the merger agreement are fair to and in the best interests of Anthem, (2) approved the merger agreement and the transactions contemplated in connection therewith, including approving the issuance by Anthem of that number of shares of its common stock required to be issued by Anthem pursuant to the merger agreement in the proposed merger, (3) directed that such share issuance to be submitted to a vote of the Anthem shareholders at a special shareholders meeting and (4) authorized the final negotiation and execution of the merger agreement by the appropriate authorized Anthem officers.

Later in the day on July 23, 2015, the Cigna board of directors held a special telephonic meeting. Members of Cigna's senior management and representatives of Morgan Stanley and Cravath also attended portions of the meeting. Prior to the meeting, Cigna's directors had been provided with a set of meeting materials, including a copy of a draft definitive merger agreement, a summary of the material changes to the terms and conditions of the merger agreement since the meeting of the Cigna board of directors on June 15, 2015, a financial analysis of the consideration proposed to be paid in the merger prepared by Morgan Stanley and a set of draft board resolutions. Mr. Cordani provided an overview of further developments relating to a possible merger with Anthem and informed the Cigna board of directors that due diligence had been completed and negotiations regarding a definitive merger agreement had been finalized. Also at the meeting, representatives of Morgan Stanley rendered an oral opinion to the Cigna board of directors, which was subsequently confirmed in writing as of July 23, 2015, to the effect that, as of that date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its written opinion, the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement was fair from a financial point of view to such holders. Morgan Stanley's opinion is more fully described in the section titled *Opinion of Cigna's Financial Advisor* beginning on page 145 of this joint

proxy statement/prospectus. Following a discussion of the foregoing matters by the directors, including Cigna's

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other strategic alternatives and prospects as a standalone company, the Cigna board unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna shareholders for their adoption and (4) recommended that Cigna shareholders vote **FOR** the merger proposal. The Cigna board of directors authorized the appropriate Cigna officers to execute and deliver the merger agreement on behalf of Cigna.

During the evening of July 23, 2015, following the meeting of the Anthem board of directors and the meeting of the Cigna board of directors, representatives of Cravath and White & Case and members of management of each of Anthem and Cigna finalized the merger agreement and other transaction documents, and thereafter the merger agreement was executed and delivered by the parties. Anthem and Mr. Cordani also executed and delivered the offer letter with respect to Mr. Cordani's employment with the combined company upon the completion of the merger.

On the morning of July 24, 2015, Anthem and Cigna publicly announced entry into the merger agreement via a joint press release issued prior to the open of the U.S. financial markets.

**Anthem's Reasons for the Merger; Recommendation of the Anthem Board of Directors**

In evaluating the share issuance and merger agreement, the Anthem board of directors spent considerable time in consulting with Anthem's senior management, financial advisors and outside legal counsel. Before reaching its decision by unanimous vote of those directors voting with one absent director separately indicating agreement at its meeting on July 23, 2015, to approve the share issuance and the merger agreement, and recommending that Anthem's shareholders vote **FOR** the approval of the share issuance, the Anthem board of directors considered a variety of factors with respect to the merger and the related transactions and agreements, including the following (not necessarily in order of relative importance):

***Strategic Factors Considered by the Anthem Board of Directors:***

*Creating a Premier Health Benefits Company:* The Anthem board of directors considered that the combination of Anthem and Cigna would create a diversified, premier health services company to help lead the transformation of health care for consumers by enhancing health care access, quality and affordability. The Anthem board of directors considered that a primary benefit of the transaction would be the combined company's ability to provide quality health coverage as affordable as possible and facilitate Anthem's members' access to the highest quality, most effective care available.

*High Quality Health Care for Consumers:* The Anthem board of directors considered that a merger with Cigna would, in Anthem's view, result in the ability to deliver meaningful value to consumers through expanded provider collaboration, enhanced affordability and cost of care, management capabilities, and innovations that deliver a high quality and more affordable health care for consumers. The Anthem board of directors also observed that the merger is expected to result in: (1) broader customer access to an expanded and more diverse network of hospitals, doctors and other care providers; (2) the potential to use Anthem's expertise and investment in technology to improve the delivery of health care services to the people currently served by Cigna; (3) the application of more consumer-oriented offerings and service capabilities that align with the rapidly developing confluence of health and financial

services; (4) quality enhancements and efficiency gains for hospitals, physicians and other health professionals; (5) an opportunity to offer a significantly expanded and integrated nationwide health care network based upon the strength of Cigna's provider network, which complements Anthem's position; and (6) cross-selling opportunities for products, including specialty products and services, such as consumer health information, specialty networks, and ancillary care.

*Lower Costs:* The transaction is expected to create a significant opportunity to increase Anthem's operating efficiency by spreading Anthem's operating costs across a larger membership base.

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Acquiring Cigna is expected to provide additional opportunities to realize administrative cost savings, as well as network and medical management savings. The Anthem board of directors considered that these cost synergies are expected to enable Anthem to offer all of its customers more affordable products and services and, at the same time, enhance Anthem's ability to manage the cost drivers that negatively impact affordability for its members. Although Anthem management expects that cost savings will result from the merger, there can be no assurance that any particular amount of cost savings will be achieved following completion of the merger or the time frame in which they will be achieved. See the section entitled *Cautionary Information Regarding Forward-Looking Statements* beginning on page 64 of this joint proxy statement/prospectus.

*Benefits for Anthem Shareholders:* In determining that the merger would result in benefits to Anthem shareholders, the Anthem board of directors considered: (1) Cigna's financial strength and strong cash flow from operations; (2) the experience and strength of Cigna's management team; (3) the long-term opportunities to cross-sell product capabilities in specialty products; (4) Cigna's international presence; and (5) Anthem's commitment to transactions that provide long-term value for Anthem shareholders.

*Similar Corporate Cultures:* The Anthem board of directors considered: (1) Anthem management's belief that Anthem and Cigna have similar corporate cultures and values, which are focused on providing quality products and services to customers, (2) the complementary nature of the two companies' operations and operating regions and (3) the experience, reputation and financial strength of Cigna.

*Historical Successes:* The Anthem board of directors considered that, for a combined nearly 150-year history, Anthem and Cigna delivered innovative and affordable health benefits solutions that help address the U.S. health system's challenges and provide health care security to consumers, their families and their communities. The Anthem board of directors thus considered the ability for the combination to leverage the deep health care knowledge, talent and expertise of both organizations to achieve the goals of the transaction and position Anthem for future success.

*Leadership and Governance of the Combined Company:* The Anthem board of directors considered the fact that (1) Joseph Swedish would continue as Chief Executive Officer of the combined company and serve as the chairman of its board of directors upon completion of the merger and (2) the current members of the Anthem board of directors would represent a substantial majority of the board of directors of the combined company. Specifically, at the effective time of the merger, the board of directors of Anthem will be increased so it consists of 14 members comprised of the nine current members of the Anthem board of directors and five current members of the Cigna board of directors designated by Cigna (see the section entitled *The Merger Agreement Corporate Governance* beginning on page 184 of this joint proxy statement/prospectus for more information regarding the Anthem board of directors as of the effective time of the merger).

*Name and Location of Anthem Headquarters:* The Anthem board of directors considered the fact that the name of the combined company would continue to be Anthem, Inc. and that its headquarters would remain in Indianapolis, Indiana.

*Management Expertise:* The Anthem board of directors considered that upon completion of the merger, Cigna's President and Chief Executive Officer, David Cordani, will become President and Chief Operating Officer of Anthem and that it expects that other senior managers of Cigna will continue in various capacities with Anthem after the merger.

***Other Factors Considered by the Anthem Board of Directors:***

*Familiarity with Businesses:* The Anthem board of directors considered its knowledge of each of Anthem's and Cigna's businesses and financial condition and the operations, earnings and prospects of the companies' respective subsidiaries in evaluating the merger and related transactions.

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*Trading Prices:* The Anthem board of directors considered the historical trading prices of shares of Anthem common stock and shares of Cigna common stock.

*Business Climate:* The Anthem board of directors considered the current and prospective business climate in the healthcare industry, including (1) the regulatory environment and the evolution of the Patient Protection and Affordable Care Act, (2) low interest rates and (3) the trend of consolidation and increased competition in all areas of health care, and the likely effect of these factors on Anthem in the absence of the merger.

*Future Competition:* The prospect of significant competition in the future for partners for strategic business transactions.

*Financial Projections:* The Anthem board of directors considered the projected financial results of each of Anthem and Cigna as a stand-alone company and the prospects of the combined company, including anticipated synergies.

*Fairness Opinions:* The Anthem board of directors considered the oral opinion of UBS, delivered on July 23, 2015 to the Anthem board of directors and subsequently confirmed by delivery of a written opinion dated July 24, 2015, and the oral opinion of Credit Suisse, delivered on July 23, 2015 to the Anthem board of directors and subsequently confirmed by delivery of a written opinion dated July 23, 2015, and each of the financial presentations of Credit Suisse and UBS, each dated July 22, 2015, to the Anthem board of directors to the effect that, as of that date and based upon and subject to various assumptions made, matters considered and limitations described in the written opinions, the consideration to be paid by Anthem in the merger was fair, from a financial point of view, to Anthem, as more fully described below under the section entitled

*Opinions of Anthem's Financial Advisors* beginning on page 126 of this joint proxy statement/prospectus.

*Earnings Impact:* The Anthem board of directors considered the fact that the merger was expected to be accretive to earnings per share, approaching 10% in year one and more than doubling in year two.

*Merger Agreement:* The Anthem board of directors considered the terms and conditions of the merger agreement, including (1) Anthem's ability, under certain circumstances to furnish information, negotiate and otherwise engage in discussions with a person proposing an alternative transaction, (2) the ability of the Anthem board of directors to, under certain circumstances, in a manner adverse to Cigna, withhold, withdraw, amend, modify or qualify its recommendation that Anthem shareholders approve the share issuance, (3) the fact that the merger agreement places certain restrictions on the conduct of the business of Cigna and its subsidiaries prior to completion of the merger, (4) the strong commitments by Anthem and Cigna to complete the merger, (5) the fact that the merger agreement was the product of extensive arms-length negotiations, and Anthem's senior management and legal and financial advisors were involved throughout the negotiations and updated the Anthem board of directors which provided additional perspectives on the negotiations and (6) the ability of Anthem to seek damages in the event of fraud or a willful breach by Cigna of its representations, warranties or obligations under the merger agreement.



*Regulatory Approvals and Clearances:* The Anthem board of directors considered its belief, after consultation with its legal counsel, that the regulatory approvals and clearances necessary to complete the merger would be obtained. The Anthem board of directors also considered the fact that, while Anthem is obligated to use its reasonable best efforts to complete the merger, such efforts standard does not obligate Anthem to agree to a burdensome term or condition that would have, or would reasonably be expected to have, individually or in the aggregate with all other terms and conditions, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the mergers, including the synergies expected to be realized from the mergers.

*Fixed Exchange Ratio:* The Anthem board of directors considered the fact that the merger agreement provides for a fixed exchange ratio and that no adjustment will be made in the merger consideration to be received by Cigna shareholders in the merger as a result of a possible decrease in the trading price of

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Anthem's common stock following the announcement of the merger and that the significant cash portion of the merger consideration will reduce the impact of an increase in the trading price of Anthem common stock on the value of the merger consideration.

*Share Issuance Approval:* The fact that the share issuance will be subject to the approval of the Anthem shareholders and that, in this regard, Anthem's directors and executive officers do not own a significant enough interest in Anthem common stock, in the aggregate, to influence substantially the outcome of such shareholder vote.

*Future Participation in the Surviving Corporation by Anthem Shareholders:* The Anthem board of directors considered the fact that, because holders of outstanding shares of Anthem common stock as of immediately prior to the completion of the merger are expected to hold approximately 67% of the outstanding shares of Anthem common stock immediately after the completion of the merger, Anthem shareholders are expected to have the opportunity to participate in the future performance of the combined company, including synergies.

*Due Diligence:* The Anthem board of directors considered the results of the due diligence review of Cigna and its businesses conducted by Anthem and its financial advisors and outside legal counsel.

*Financing Options:* The Anthem board of directors considered the financing options available, including the availability of financing from bridge financing sources. The Anthem board of directors also considered the terms of the commitment letter and the bridge facility thereunder, particularly in light of the then-current market for such commitments and facilities.

*Credit Rating:* Based on discussions with applicable credit rating agencies, the Anthem board of directors expects that Anthem's public debt, including the public debt of Cigna that Anthem will assume concurrently with the completion of the second merger, will continue to be rated investment grade following completion of the mergers and the transactions related thereto.

*Alternatives Available:* The Anthem board of directors considered the alternatives reasonably available to Anthem if it did not pursue the merger, including continuing to operate on a stand-alone basis or pursuing other strategic acquisitions and the fact that Aetna, Inc. had entered into a definitive agreement to acquire Humana Inc.

*Termination Fee:* The Anthem board of directors considered that if the merger agreement is terminated under certain circumstances, Cigna could be obligated to pay the Cigna termination fee to Anthem.

The Anthem board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including the following (not necessarily in order of relative importance):

the fact that the merger agreement provides for a fixed exchange ratio and that no adjustment will be made in the merger consideration to be received by Cigna shareholders in the merger as a result of a possible increase in the trading price of Anthem's common stock following the announcement of the merger, while noting that the significant cash portion of the merger consideration will reduce the impact of an increase in the trading price of Anthem common stock on the value of the merger consideration;

the risk that the mergers might not be completed in a timely manner or that the closing of the merger might not occur despite the companies' efforts, including by reason of a failure to obtain the adoption or approval of either Cigna shareholders or Anthem shareholders, as applicable, the failure of the parties to obtain applicable regulatory approvals or complications resulting from the complexity of the mergers and the other transactions contemplated by the merger agreement;

the fact that Anthem will incur substantial additional indebtedness in connection with the merger that could adversely affect Anthem and its financial position, including its credit rating;

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the potential length of the regulatory approval process and the related period of time during which Anthem will be subject to the restrictions in the merger agreement, including the effect such delay may have on the market price of Anthem common stock, Anthem's operating results (particularly in light of the significant costs incurred in connection with the merger), Anthem's ability to attract and retain key personnel and the relationships with Anthem's employees, customers, partners and others that do business with Anthem;

if the merger agreement is terminated, Anthem may be obligated to pay the Anthem termination fee or the reverse termination fee under certain circumstances;

the fact that Anthem and Cigna have incurred and will continue to incur significant transaction costs and expenses in connection with the merger, regardless of whether the merger is completed;

the risk that the potential benefits of the merger may not be fully realized, including the possibility that cost savings and operating efficiencies expected to result from the merger may not be realized to the extent expected, or at all;

the possibility that regulatory or governmental authorities might seek to impose burdensome terms or conditions in connection with granting approval or clearance of the mergers including, among other things, the required sale of certain businesses, customers, contracts or assets of Anthem or Cigna or may otherwise seek to prevent or delay the mergers, including the risk that governmental authorities could seek an injunction in federal court and/or commence an administrative proceeding seeking to prevent the parties from completing the mergers;

the ownership dilution to current Anthem shareholders as a result of the share issuance, which will provide current Anthem shareholders with less of an opportunity to participate in Anthem's future earnings growth than would be anticipated if Anthem were to remain a stand-alone entity and its strategic plan were successfully implemented;

the risks relating to uncertainties and inefficiencies that might result from reconfigurations to Anthem's subsidiaries;

the scope of Anthem's commitments to take certain actions and agree to certain conditions in order to obtain required regulatory approvals, and the potential for Anthem to pay the reverse termination fee if the merger is not completed as a result of regulatory impediments or other reasons;

the risk of diverting management focus and resources from other strategic opportunities and from operational matters, and potential disruption of management of Anthem and its subsidiaries associated with the merger and integrating the companies;

the fact that the merger agreement places certain restrictions on the conduct of the business of Anthem and its subsidiaries prior to completion of the merger, which may prevent Anthem from making certain acquisitions or otherwise pursuing certain business opportunities during such period of time;

the fact that the merger agreement provides for the ability of the Cigna board of directors to, under certain circumstances, in a manner adverse to Anthem, withhold, withdraw, amend, modify or qualify its recommendation that Cigna shareholders adopt the merger agreement;

the potential negative effects of the pendency of the merger on Anthem's businesses and relationships with employees, customers, providers, vendors, regulators and the communities in which it operates, including the risk that certain key employees of Anthem or Cigna and their respective subsidiaries might choose not to remain with the combined company or its subsidiaries or affiliates;

the fact that Anthem's license agreements with the BCBSA contain certain requirements which will be impacted by the merger and, upon completion of the merger, Anthem will initially be in non-compliance with the BCBSA's National Best Efforts Requirements, as more fully described in the section entitled *Risk Factors*, beginning on page 67 of this joint proxy statement/prospectus;

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the potential impact of the merger and the other transactions contemplated by the merger agreement on the dividends expected to be paid to Anthem's shareholders in the future or the amount of share repurchases to be conducted by Anthem in the future;

the absence of a financing condition and Cigna's ability to specifically enforce Anthem's obligations under the merger agreement;

the fact that certain senior executives of Cigna may receive substantial payments in connection with the merger; and

various other risks associated with the merger and the businesses of Anthem, Cigna, their respective subsidiaries and the combined company described under *Risk Factors*, beginning on page 67 of this joint proxy statement/prospectus.

The Anthem board of directors determined that the benefits expected to be achieved for Anthem shareholders as a result of the merger outweighed these potential risks and uncertainties. The Anthem board of directors realized that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

The above discussion of the material factors considered by the Anthem board of directors in its consideration of the merger and the other transactions contemplated by the merger agreement is not intended to be exhaustive, but does set forth the principal factors considered by the Anthem board of directors. In light of the number and wide variety of factors considered in connection with the evaluation of the merger and the complexity of these factors, the Anthem board of directors did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. The Anthem board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the Anthem board of directors conducted an overall review of the factors described above, including discussions with Anthem's senior management team and outside legal and financial advisors. In considering the factors described above, individual members of the Anthem board of directors may have given different weight to different factors. The factors contained in this explanation of the reasoning of the Anthem board of directors and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in *Cautionary Information Regarding Forward-Looking Statements* beginning on page 64 of this joint proxy statement/prospectus.

### **Cigna's Reasons for the Merger; Recommendation of the Cigna Board of Directors**

At a meeting on July 23, 2015, the Cigna board of directors unanimously (1) approved the merger agreement, (2) declared that the merger and the other transactions contemplated by the merger agreement are in the best interests of Cigna and its shareholders, (3) directed that the merger agreement be submitted to Cigna shareholders for their adoption and (4) recommended that Cigna shareholders vote **FOR** the merger proposal.

In evaluating the merger agreement and the transactions contemplated by the merger agreement, the Cigna board of directors consulted with Cigna's senior management, as well as Cigna's outside legal and financial advisors and, in reaching its determinations, considered a variety of factors with respect to the merger, including those matters discussed in *Background of the Merger* beginning on page 95 of this joint proxy statement/prospectus and the factors listed below.



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***Considerations and Factors Weighing For the Merger***

*Shareholder Value; Financial Considerations*

The Cigna board of directors considered a number of factors pertaining to the value to be received by Cigna shareholders pursuant to the merger and other financial rationales for the merger, including the following:

the risk-adjusted probabilities associated with achieving Cigna's long-term strategic plan as a stand-alone company as compared to the opportunity afforded to Cigna shareholders via the merger consideration;

the value to be received by Cigna shareholders in the merger, including the fact that the merger consideration to be received by Cigna shareholders represents a premium of approximately 38 percent over the closing price of Cigna common stock on May 28, 2015 (the last trading day prior to public rumors that Humana Inc. was exploring a sale), a premium of approximately 33 percent over the closing price of Cigna common stock on June 12, 2015 and a premium of approximately 36 percent over the volume weighted average price of Cigna common stock for the 30 trading days ending June 12, 2015 (the last trading day prior to public rumors of the transaction);

the fact that approximately 45 percent of the merger consideration is payable in Anthem common stock and approximately 55 percent in cash, which affords Cigna shareholders both the opportunity to participate in the strong business performance, accelerated growth and other opportunities expected of the combined company through the stock component and to receive cash for the value of their shares through the cash component for immediate liquidity;

the fact that the exchange ratio is fixed and will not fluctuate based upon changes in the market price of Anthem common stock or Cigna common stock between the date of the merger agreement and the date of completion of the merger;

the historical and current market prices of Cigna common stock and Anthem common stock, including a natural exchange ratio analysis based on the market prices of Cigna common stock and Anthem common stock over the past five years;

the fact that, as a result of the fixed exchange ratio, the percentage of the combined company to be owned by Cigna shareholders upon completion of the merger will not be affected by any changes in the market price of Anthem common stock or Cigna common stock between the date of the merger agreement and the date of completion of the merger;

the likelihood that Anthem would be able to obtain the necessary financing given the financing commitments from the commitment parties;



the fact that Cigna would be permitted under the merger agreement to pay a quarterly dividend starting in the third quarter of 2016 in an amount equal to Anthem's quarterly dividend multiplied by the exchange ratio, and in addition, to the extent that Anthem increases its dividend in the first half of 2016, to pay a quarterly dividend in the amount of any such increase multiplied by the exchange ratio, subject to certain adjustments as described in the merger agreement;

Anthem's implied valuation creates a floor for any bids by other potential acquirers of Cigna going forward;

the public nature of the negotiations between Anthem and Cigna created an opportunity for other potential acquirers of Cigna to make offers, if interested, prior to the execution of the merger agreement;

the expected qualification of the mergers as a tax-free reorganization pursuant to Section 368(a) of the Code, which generally would allow Cigna shareholders to defer the recognition of any gain that exceeds the cash portion of the merger consideration;

the written opinion and related financial analysis of Morgan Stanley presented to the Cigna board of directors on July 23, 2015, to the effect that, as of such date, and based upon and subject to the

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assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its opinion, the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement was fair from a financial point of view to such holders, as more fully described in the section entitled *Opinion of Cigna's Financial Advisor* beginning on page 145 of this joint proxy statement/prospectus; and

the projected ability of the combined company to generate meaningful synergies, through, among other drivers, administrative structure, operational efficiencies and network efficiencies.

*Strategic Considerations*

The Cigna board of directors considered a number of factors pertaining to the strategic rationale for the merger, including the following:

the ability of the combined company to provide enhanced affordability, access, quality and cost of care management capabilities, expanded provider collaborations, and superior innovations and breadth of solutions and choice that deliver a better overall health care experience for consumers, and to facilitate Cigna's members access to the highest quality, most effective care available;

the ability of the combined company to drive long-term affordability through a variety of consumer and network engagement strategies, to serve the diverse needs of the marketplace and to provide broader customer access to an expanded and more diverse network of hospitals, doctors and other providers;

the generally complementary nature of Cigna's and Anthem's businesses, including the benefits of combining Cigna's capabilities to serve individuals, local large and small group customers, and national employers with Anthem's best-in-class commercial business;

the evolving industry dynamics over the past several years, especially in light of regulatory developments affecting the industry such as the Patient Protection and Affordable Care Act;

the benefits of the combined company, including the increased potential for growth, development and profitability of the combined company (taking into account the results of Cigna's due diligence review of Anthem), which compared favorably to Cigna on a stand-alone basis;

the projected financial results of Cigna as a stand-alone company and the risk that Cigna would not achieve strategic goals previously established by the Cigna board of directors; and

other strategic alternatives that may be available to Cigna, including continuing to operate as an independent company, the possibility of growing its business through acquisitions and internal growth and whether there were other potential parties that might have an interest in and be financially capable of engaging in an alternative strategic transaction with Cigna, including in light of the fact that Aetna, Inc. had entered into a definitive agreement to acquire Humana Inc., and the valuation, regulatory and financing issues that might arise in connection with pursuing an alternative strategic transaction.

*Terms of the Merger Agreement and Other Considerations*

The Cigna board of directors considered the terms and conditions of the merger agreement and a number of other factors pertaining to the rationale for the merger, including the following:

the fact that the terms and conditions of the merger agreement, including the representations, warranties and covenants of the parties, the conditions to closing and the form and structure of the merger consideration, are fair and reasonable;

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the fact that the terms of the merger agreement provide that, under certain circumstances, Cigna is permitted to participate in discussions with respect to, and furnish information in connection with, a bona fide written proposal for an alternative transaction that was not solicited by Cigna after the execution of the merger agreement, if the Cigna board of directors determines in good faith that (1) engaging in discussions is reasonably likely to be required in order for the directors to comply with their fiduciary duties and (2) the alternative transaction is, or would reasonably be expected to lead to, a superior proposal;

the fact that the terms of the merger agreement provide that, under certain circumstances and prior to obtaining the required Cigna shareholder approval, the Cigna board of directors is permitted to (1) change its recommendation with respect to the merger agreement in the event a superior proposal is received or certain material developments or changes in circumstances occur after the execution of the merger agreement, and the Cigna board of directors determines in good faith, after consultation with outside legal counsel, that changing its recommendation is reasonably likely to be required in order for the directors to comply with their fiduciary duties under Delaware law, and (2) terminate the merger agreement in order to accept a superior proposal, in each of cases (1) and (2), subject to compliance with the terms and conditions of the merger agreement, which may include the payment of a break-up fee;

that the break-up fee described above is equal to approximately 3.8% of the equity value of Cigna, which break-up fee the Cigna board of directors did not believe would preclude any other party from making a competing proposal for Cigna;

the view of the Cigna board of directors that the terms of the merger agreement provide a significant degree of certainty that the merger will be completed, including the fact that (1) the conditions required to be satisfied prior to completion of the merger, such as the receipt of shareholder approvals and regulatory clearance, are expected to be fulfilled and (2) the merger agreement contains no financing condition;

Anthem's commitments in the merger agreement to use its reasonable best efforts to consummate the proposed merger, including to take any actions or agree to any conditions necessary to obtain all required regulatory approvals (including agreeing to divestitures), unless these actions or conditions would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the merger, including the synergies expected to be realized from the merger (subject to the terms and conditions of the merger agreement);

the belief of the Cigna board of directors, after consultation with its legal counsel, that the regulatory approvals and clearances necessary to complete the merger would be obtained;

the \$1.85 billion reverse termination fee that is payable by Anthem to Cigna in the event that the merger is not consummated due to certain regulatory restraints or failures to obtain regulatory approvals;

the ability of Cigna to seek damages in the event of fraud or a willful breach by Anthem of its representations, warranties or obligations under the merger agreement;

Cigna's and Anthem's commitment to retaining investment grade debt ratings;

confirmation by a certain rating agency to Anthem, prior to the execution of the merger agreement, that the contemplated transaction would not result in a downgrade of Anthem's credit ratings;

the Cigna senior management team's belief that the merger would offer better value for shareholders than Cigna's long-term strategic plan as a stand-alone company;

the results of the due diligence review of Anthem and its businesses conducted by Cigna and its financial advisors and outside legal counsel, including the fact that Cigna senior management had the

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opportunity to resolve their diligence questions with respect to the rules of the BCBSA, the pending antitrust litigation against the BCBSA and the data breach disclosed by Anthem in February 2015;

the fact that, pursuant to the terms of the offer letter entered into between Anthem and Mr. Cordani, Cigna Chief Executive Officer David Cordani will serve as President and Chief Operating Officer of the combined company, which will bring institutional knowledge with respect to Cigna to the combined company and will provide continuity and oversight during the integration process; and

the fact that directors of Cigna who have an in-depth knowledge of Cigna and its businesses would have substantial representation on the board of directors of the combined company, as described in the section entitled *Board of Directors and Certain Officers of Anthem Following the Merger* beginning on page 169 of this joint proxy statement/prospectus.

***Risks and Factors Weighing Against the Merger***

The Cigna board of directors also identified and considered the potential adverse impact of other factors weighing negatively against the merger, including the following:

the possibility that the completion of the merger may be delayed or not occur at all in the event of a failure of certain closing conditions, including (1) the approval by Anthem shareholders of the share issuance proposal and (2) the receipt of required regulatory clearances, and the adverse impact that this would have on Cigna and its business;

the risk that regulatory agencies might impose terms and conditions on their approvals which could adversely affect the operations and value of the combined company (see *Regulatory Approvals Required for the Merger* beginning on page 170 of this joint proxy statement/prospectus);

the restrictions in the merger agreement on the conduct of Cigna's business during the period between the execution of the merger agreement and the completion of the merger;

the protracted length of time that is anticipated between the execution of the merger agreement and the completion of the merger, and the adverse impact that a long interim period could have on Cigna and its business;

because the stock portion of the merger consideration is a fixed number of shares of Anthem common stock, Cigna shareholders could be adversely affected by a decrease in the trading price of Anthem common stock following the announcement of the merger, and the merger agreement does not provide Cigna with a price-based termination right or other similar protection for Cigna or its shareholders, such as a collar with respect to Anthem's stock price;

the risk of incurring substantial expenses related to the merger;

the challenges inherent in the combination of two businesses of the size and complexity of Cigna and Anthem, including unforeseen difficulties in integrating operations and systems and difficulties in integrating employees;

the fact that forecasts of future results of operations and cost and growth synergies are necessarily estimates based on assumptions, and that for these and other reasons there is a risk of not capturing all the anticipated synergies and cost savings between Cigna and Anthem, and the risk that other anticipated benefits may not be realized;

the possible disruption to Cigna's business that may result from announcement of the merger and the resulting distraction of management's attention from the day-to-day operations of the business;

that some of Cigna's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Cigna shareholders generally, including the treatment of Cigna stock options, restricted stock awards, restricted stock units, strategic performance shares and deferred stock units held by Cigna's directors and executive officers in the merger and Anthem's agreement to indemnify Cigna directors and officers against certain claims and liabilities;

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the change of Cigna's name to Anthem, Inc. and the reaction to this name change;

the risk that the pendency of the merger could adversely affect Cigna's relationships with its customers, suppliers and any other persons with whom Cigna has a business relationship or pose difficulties in attracting and retaining key employees; and

the other potential risks described in the section entitled *Risk Factors* beginning on page 67 of this joint proxy statement/prospectus.

In light of the number and wide variety of factors considered in connection with the evaluation of the merger and the complexity of these factors, the Cigna board of directors did not consider it practicable to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision.

The Cigna board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the Cigna board of directors conducted an overall review of the factors described above, including discussions with Cigna's senior management team and outside legal and financial advisors. In considering the factors described above, individual members of the Cigna board of directors may have given different weight to different factors.

The factors contained in this explanation of the reasoning of the Cigna board of directors and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in *Cautionary Information Regarding Forward-Looking Statements* beginning on page 64 of this joint proxy statement/prospectus.

### **Opinions of Anthem's Financial Advisors**

#### ***Opinion of UBS***

Anthem retained UBS to act as financial advisor to the Anthem board of directors and, if requested, to render to the Anthem board of directors an opinion that the merger consideration is fair, from a financial point of view, to Anthem. On July 23, 2015, at a meeting of the Anthem board of directors held to evaluate the merger agreement and the transactions contemplated thereby, UBS delivered to the Anthem board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion, dated July 24, 2015, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its opinion, the merger consideration was fair, from a financial point of view, to Anthem.

The full text of UBS's opinion to the Anthem board of directors describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. This opinion is attached to this joint proxy statement/prospectus as **Annex B** and is incorporated into this joint proxy statement/prospectus by reference. **Holders of Anthem common stock are encouraged to read UBS's opinion carefully in its entirety. UBS's opinion was provided for the benefit of the Anthem board of directors (in its capacity as such) in connection with, and for the purpose of, its evaluation of the merger consideration from a financial point of view, and does not address any other aspect of the mergers or any related transaction. UBS's opinion does not address the relative merits of the mergers as compared to other business strategies or transactions that might be available with respect to Anthem or Anthem's underlying business decision to effect the mergers or any related transaction. UBS's opinion does not constitute a recommendation to any Anthem shareholder as to how such shareholder should vote or act with respect to the share issuance or any related transactions. The following summary of UBS's**



**opinion is qualified in its entirety by reference to the full text of UBS's opinion.**

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In arriving at its opinion, UBS, among other things:

reviewed certain publicly available business and financial information relating to Cigna and Anthem;

reviewed certain internal financial information and other data relating to the businesses and financial prospects of Cigna that were provided to UBS by the management of Anthem and not publicly available, including financial forecasts and estimates prepared by the management of Anthem that the Anthem board of directors directed UBS to utilize for purposes of its analysis;

reviewed certain internal financial information and other data relating to the business and financial prospects of Anthem that were provided to UBS by the management of Anthem and not publicly available, including financial forecasts and estimates prepared by the management of Anthem that the Anthem board of directors directed UBS to utilize for purposes of its analysis;

reviewed certain estimates of synergies prepared jointly by the management of Anthem and the management of Cigna provided to UBS by Anthem and not publicly available that the Anthem board of directors directed UBS to utilize for purposes of its analysis;

conducted discussions with members of the senior managements of Anthem and Cigna concerning the businesses and financial prospects of Cigna and Anthem;

reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

compared the financial terms of the transaction with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;

reviewed current and historical market prices of Anthem common stock and Cigna common stock;

reviewed the merger agreement; and

conducted such other financial studies, analyses and investigations and considered such other information as UBS deemed necessary or appropriate.

In connection with its review, with the consent of the Anthem board of directors, UBS assumed and relied upon, without independent verification, the accuracy and completeness in all material aspects of the information provided to or reviewed by UBS for the purpose of the opinion. In addition, with the consent of the Anthem board of directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise)

of Anthem or Cigna, nor was UBS furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates and synergies referred to above, UBS assumed, at the direction of the Anthem board of directors, that they were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of each company, as applicable, as to the future financial performance of their respective company and such synergies, as applicable. In addition, UBS assumed with the approval of the Anthem board of directors that the mergers will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The opinion of UBS was necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date of its opinion.

At the direction of the Anthem board of directors, UBS was not asked to, nor did it, offer any opinion as to the terms, other than the merger consideration to the extent expressly specified in the opinion, of the merger agreement or any related documents or the forms of the mergers or any related transaction. In addition, UBS expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the consideration. UBS expressed no opinion as to what the value of the Anthem common stock will be when issued pursuant to the merger or the price at which Anthem common stock will trade at any time. In rendering its opinion, UBS assumed, with the consent of the Anthem board of directors, that (i) the parties to the merger agreement will comply with all material terms of the merger agreement and (ii) the mergers will be consummated

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in accordance with the terms of the merger agreement without any adverse waiver or amendment of any material term or condition thereof. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the mergers will be obtained without any material adverse effect on Anthem, Cigna or the mergers.

In connection with rendering its opinion to the Anthem board of directors, UBS performed a variety of financial and comparative analyses, which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies analysis and the selected transactions analysis summarized below, no company or transaction used as a comparison was identical to Anthem, Cigna or the transactions contemplated by the merger agreement. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

UBS believes its analyses and the summary contained in this joint proxy statement/prospectus must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS's analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole.

The estimates of the future performance of Anthem underlying the analyses of UBS are not necessarily indicative of actual future results or values, which may be significantly more or less favorable than those estimates. These estimates are necessarily subject to uncertainty because, among other things, they are based upon numerous factors and events beyond the control of the parties or their respective advisors. In performing its analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which were beyond the control of Anthem or Cigna. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or acquired.

The merger consideration was determined through negotiations between Anthem and Cigna and the decision by Anthem to enter into the merger agreement to effect the mergers was solely that of the Anthem board of directors. UBS's opinion and financial analyses were only one of many factors considered by the Anthem board of directors in its evaluation of the mergers and should not be viewed as determinative of the views of the Anthem board of directors or the management of Anthem with respect to the mergers or the merger consideration. While UBS provided advice to the Anthem board of directors during Anthem's negotiations with Cigna, the Anthem board of directors determined the merger consideration and UBS did not recommend any specific amount or type of consideration.

***Summary of the Financial Analyses of UBS***

The following is a brief summary of the material financial analyses performed by UBS and reviewed with the Anthem board of directors on July 23, 2015 in connection with UBS's opinion. **The financial analyses summarized below include information presented in tabular format. In order for UBS's financial analyses to be fully understood, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS's financial analyses.**



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**Table of Contents*****Selected Companies Analyses******Cigna***

UBS compared selected financial and market data of Cigna with corresponding data of (i) the following three publicly traded multi-line managed care companies (the Cigna Multi-Line Companies ) and (ii) the following four publicly traded government-focused managed care companies (the Government-Focused Companies and, together with the Cigna Multi-Line Companies, the Cigna selected companies ):

**Cigna Selected Companies**

## Multi-Line Companies

Anthem

UnitedHealth Group Inc.

Aetna Inc.

## Government-Focused Companies

Humana Inc.

Centene Corp.

Molina Healthcare Inc.

Wellcare Health Plans, Inc.

UBS reviewed, among other things, the enterprise values, calculated as equity market value based on closing stock prices on each of May 28, 2015, the day before takeover speculation across the managed care industry began, and July 22, 2015, the last practicable price date prior to the delivery of UBS's oral opinion, plus debt, less cash, plus minority interest of each of the Cigna selected companies as a multiple of last twelve months ( LTM ), 2015, and 2016 estimated EBITDA of such selected company (the Cigna EV/EBITDA Multiple ). UBS also reviewed the closing stock prices on each of May 28, 2015 and July 22, 2015 of each of the Cigna selected companies as a multiple of 2015 and 2016 estimated cash earnings per share of such selected company (the Cigna Cash P/E Multiple ), in each case using the FactSet Non-GAAP EPS as a proxy for cash EPS. UBS then compared the multiples derived for the Cigna selected companies with corresponding multiples implied for Cigna based on the closing price of its shares on each of May 28, 2015 and July 22, 2015. Financial data for the Cigna selected companies were based on FactSet consensus

estimates including FactSet Non-GAAP EPS used as a proxy for cash EPS ( FactSet Estimates ), and public filings of each selected company. Estimated financial data for Cigna were based on FactSet Estimates, public filings and Anthem management estimates.

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This analysis indicated the following implied mean and median multiples for the Cigna selected companies, as compared to corresponding multiples implied for Cigna:

	Cigna EV/EBITDA Multiples			Cigna Cash P/E Multiples	
	LTM EBITDA	Estimated	Estimated	Estimated	Estimated
		2015 EBITDA	2016 EBITDA	2015 Earnings	2016 Earnings
<b>As of May 28, 2015</b>					
<b>Cigna Multi-Line Companies</b>					
Mean	10.8x	10.4x	9.7x	16.7x	15.0x
Median	10.7x	10.7x	9.7x	16.4x	14.9x
<b>Government-Focused Companies</b>					
Mean	13.0x	10.3x	8.6x	25.0x	19.6x
Median	13.1x	9.5x	7.9x	25.6x	19.2x
<b>Cigna Selected Companies Unaffected Overall</b>					
Mean	12.1x	10.4x	9.1x	21.4x	17.6x
Median	11.4x	9.6x	9.2x	21.0x	16.9x
<b>As of July 22, 2015</b>					
<b>Cigna Multi-Line Companies</b>					
Mean	10.8x	10.4x	9.5x	15.9x	14.2x
Median	11.2x	10.1x	9.5x	15.5x	14.1x
<b>Government-Focused Companies</b>					
Mean	13.6x	10.2x	8.1x	24.7x	18.4x
Median	13.8x	9.4x	7.2x	24.9x	17.5x
<b>Cigna Selected Companies Current Overall</b>					
Mean	12.2x	10.3x	8.8x	20.3x	16.3x
Median	12.1x	10.1x	9.4x	19.2x	16.3x
<b>Cigna</b>					
At May 28, 2015	10.2x	10.1x	9.4x	16.0x	14.4x
At July 22, 2015	11.2x	10.9x	10.2x	17.9x	16.1x
At illustrative \$183.31 per share (FactSet consensus)	13.3x	13.0x	12.1x	21.7x	19.6x
At illustrative \$183.31 per share (Anthem management projections)	13.3x	12.4x	11.4x	21.3x	19.0x
<i>Anthem</i>					

UBS compared selected financial and market data of Anthem with corresponding data of (i) the following three multi-line companies (the Anthem Multi-Line Companies ) and (ii) the Government-Focused Companies (the Government-Focused Companies and the Anthem Multi-Line Companies, collectively, the Anthem selected companies ):

**Anthem Selected Companies**



Anthem Multi-Line Companies

Cigna

UnitedHealth Group Inc.

Aetna Inc.

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Government-Focused Companies

Humana Inc.

Centene Corp.

Molina Healthcare Inc.

Wellcare Health Plans, Inc.

UBS reviewed, among other things, the enterprise values, calculated as equity market value based on closing stock prices on each of May 28, 2015, the day before takeover speculation across the managed care industry began, and July 22, 2015, the last practicable price date prior to the delivery of UBS's oral opinion, plus debt, less cash, plus minority interest of each of the Anthem selected companies as a multiple of LTM, 2015, and 2016 estimated EBITDA of such selected company (the Anthem EV/EBITDA Multiple). UBS also reviewed the closing stock prices on each of May 28, 2015 and July 22, 2015 of each of the Anthem selected companies as a multiple of 2015 and 2016 estimated cash earnings per share of such selected company (the Anthem Cash P/E Multiple), in each case using the FactSet Non-GAAP EPS as a proxy for cash EPS. UBS then compared the multiples derived for the Anthem selected companies with corresponding multiples implied for Anthem based on the closing price of its shares on each of May 28, 2015 and July 22, 2015. Financial data for the Anthem selected companies were based on FactSet Estimates and public filings of each selected company. Estimated financial data for Anthem were based on FactSet Estimates, public filings and Anthem management estimates.

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This analysis indicated the following implied mean and median multiples for the Anthem selected companies, as compared to corresponding multiples implied for Anthem:

	Anthem EV/EBITDA Multiples			Anthem P/E Multiples	
	LTM EBITDA	Estimated 2015 EBITDA	Estimated 2016 EBITDA	Estimated 2015 Earnings	Estimated 2016 Earnings
<b>As of May 28, 2015</b>					
<b>Anthem Multi-Line Companies</b>					
Mean	10.7x	10.2x	9.5x	16.5x	14.9x
Median	10.7x	10.1x	9.4x	16.0x	14.4x
<b>Government-Focused Companies</b>					
Mean	13.0x	10.3x	8.6x	25.0x	19.6x
Median	13.1x	9.5x	7.9x	25.6x	19.2x
<b>Anthem Selected Companies Unaffected Overall</b>					
Mean	12.1x	10.3x	9.0x	21.4x	17.6x
Median	11.4x	9.6x	9.2x	21.0x	16.9x
<b>As of July 22, 2015</b>					
<b>Anthem Multi-Line Companies</b>					
Mean	11.3x	10.6x	9.7x	16.7x	14.9x
Median	11.2x	10.9x	9.5x	17.8x	15.6x
<b>Government-Focused Companies</b>					
Mean	13.6x	10.2x	8.1x	24.7x	18.4x
Median	13.8x	9.4x	7.2x	24.9x	17.5x
<b>Anthem Selected Companies Current Overall</b>					
Mean	12.4x	10.4x	8.9x	20.7x	16.7x
Median	12.1x	10.5x	9.4x	19.3x	16.6x
<b>Anthem</b>					
At May 28, 2015	10.4x	10.7x	10.2x	16.4x	14.9x
At July 22, 2015 (FactSet consensus)	9.9x	10.1x	9.6x	15.5x	14.1x
At July 22, 2015 (Anthem management projections)	9.3x	9.3x	8.6x	15.5x	13.9x

**Selected Transactions Analysis**

UBS reviewed publicly available information relating to (i) the following two recent selected transactions involving managed care companies (the Recent Transactions ) and (ii) the following three historical selected transactions involving managed care companies (the Historical Transactions and, together with the Recent Transactions, the selected transactions ).

**Announcement Date****Acquiror****Target**

**Recent Transactions**

July 3, 2015

July 2, 2015

**Historical Transactions**

August 20, 2012

July 9, 2012

October 24, 2011

Aetna Inc.  
Centene Corp.

Aetna Inc.  
WellPoint, Inc.  
Cigna Corp.

Humana Inc.  
Health Net Inc.

Coventry Health Care Inc.  
Amerigroup Corp.  
Healthspring, Inc.

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UBS reviewed, among other things, implied enterprise values of the target company in each of the selected transactions as a multiple of the LTM EBITDA of such target company with and without pre-tax run-rate synergies. UBS also reviewed the implied price of the target company in each of the selected transactions as a multiple of next twelve months ( NTM ) cash earnings per share of such target company with and without after-tax run-rate synergies. Financial data regarding the selected transactions and used to determine the multiples were based on FactSet data, public filings, press releases and other publicly available information as well as analyst research. These analyses indicated the following multiples of LTM EBITDA and NTM P/E, as compared to the corresponding multiples implied for Cigna based on the price per Cigna share implied by the consideration.

	Implied EV/EBITDA Multiples		Implied P/E Multiples	
	LTM EBITDA w/o Run-Rate Synergies	LTM EBITDA w/ Run-Rate Synergies	NTM Cash P/E w/o Run-Rate Synergies	NTM Cash P/E w/ Run-Rate Synergies
<b>Recent Transactions</b>				
Recent Mean	13.6x	9.9x	23.0x	15.9x
Recent Median	13.6x	9.9x	23.0x	15.9x
Cigna at \$183.31 (FactSet consensus)	13.3x	8.9x	20.6x	13.2x
Cigna at \$183.31 (Anthem management projections)	13.3x	8.9x	20.1x	13.0x
	LTM EBITDA w/o Run-Rate Synergies	LTM EBITDA w/ Run-Rate Synergies	NTM GAAP P/E w/o Run-Rate Synergies	NTM GAAP P/E w/ Run-Rate Synergies
<b>Historical Transactions</b>				
Historical Mean	10.0x	7.7x	15.3x	11.7x
Historical Median	7.6x	7.1x	13.1x	11.7x
Overall Mean	11.4x	8.6x	n/a	n/a
Overall Median	13.1x	9.1x	n/a	n/a
<b>Discounted Cash Flow Analyses</b>				

UBS performed discounted cash flow analyses utilizing financial forecasts and estimates prepared by Anthem's management. UBS calculated ranges of implied present values (as of July 2015) of the standalone, unlevered, after-tax, free cash flows that each of Anthem and Cigna were forecasted to generate in the second half of calendar year 2015 through calendar year 2020 and of terminal values for Anthem and Cigna. Implied terminal values were derived by applying to each of Anthem's and Cigna's calendar year 2020 estimated EBITDA, a range of estimated EBITDA multiples of 9.5x to 11.5x, which range was selected based on the enterprise value to EBITDA multiples for each of Anthem and Cigna and the publicly traded companies analyzed for the purposes of the selected companies analysis described below. Present values of cash flows and terminal values were calculated using discount rates ranging from 7.0% to 8.0%. UBS also calculated ranges of implied present values (as of June 2015) of the unlevered, after-tax, free cash flows that the pro forma combined company is forecasted to generate from the second half of calendar year 2015 through calendar year 2020 and of terminal values for the pro forma combined company, giving

effect to the potential synergies prepared by the managements of Anthem and Cigna. The pro forma terminal and present values were derived using the same discount rates and multiple ranges as were used in the analyses of Anthem and Cigna.

The discounted cash flow analyses resulted in ranges of implied values of \$175.11 to \$219.76 per share of Cigna common stock and \$216.45 to \$271.19 per share of Anthem common stock, as compared to a range of \$223.12 to \$294.72 per share of the pro forma combined company.

UBS also performed a discounted cash flow analysis utilizing the potential synergies from the combination of Anthem and Cigna as prepared by the managements of Anthem and Cigna. UBS calculated ranges of implied

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present values of net synergy opportunities that the combination is forecasted to generate through calendar year 2020 and of implied terminal values. Implied terminal values were derived by applying a range of estimated EBITDA multiples from 9.5x to 11.5x and a range of discount rates from 7.0% to 8.0%. The discounted cash flow analysis of potential synergies resulted in a range of implied values of \$13.867 billion to \$16.594 billion.

***Miscellaneous***

Under the terms of UBS's engagement, Anthem agreed to pay UBS for its financial advisory services in connection with the mergers an aggregate fee of \$30 million, portions of which became payable in connection with the delivery of UBS's opinion and in connection with the public announcement and signing of the merger agreement, and \$24 million of which is contingent upon the closing of the mergers. In addition, Anthem agreed to reimburse UBS for its reasonable expenses, including fees, disbursements and other charges of counsel, and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. UBS and/or its affiliates have in the past provided, and currently provide, investment banking services to Anthem and Cigna unrelated to the mergers, for which UBS and/or its affiliates received or expect to receive compensation, including (i) acting as a Joint Book-Running Manager in Anthem's offering of \$650 million 2.300% Notes due 2018 and \$600 million 5.100% Notes due 2044 completed in 2013, (ii) acting as a Joint Book-Running Manager in Anthem's offering of \$850 million 2.250% Notes due 2019, \$800 million 3.500% Notes due 2024, \$800 million 4.650% Notes due 2044, and \$250 million 4.850% Notes due 2054 completed in 2014, (iii) acting as a Co-Manager in Cigna's offering of \$900 million 3.250% Senior Notes due 2025 completed in 2015, (iv) acting as a Senior Co-Manager of a \$1.25 billion Anthem debt and equity units offering in 2015 and (v) participating in Anthem's \$3.5 billion revolving credit facility. In addition, UBS or an affiliate is a participant in credit facilities of each of Anthem and Cigna, for which it received and continues to receive fees and interest payments, as applicable. In the ordinary course of business, UBS and its affiliates may participate in derivatives transactions with respect to Anthem or Cigna and may hold or trade, for their own accounts and the accounts of their customers, securities of Anthem and Cigna and, accordingly, may at any time hold a long or short position in such securities.

Anthem selected UBS as its financial advisor in connection with the mergers because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, and private placements.

***Opinion of Credit Suisse***

Anthem retained Credit Suisse as its financial advisor in connection with the merger. On July 23, 2015, at a meeting of the Anthem board of directors held to evaluate the proposed merger, Credit Suisse delivered to the Anthem board of directors its oral opinion, confirmed by delivery of a written opinion dated July 23, 2015, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in such opinion, the merger consideration was fair, from a financial point of view, to Anthem.

**The full text of Credit Suisse's written opinion, dated July 23, 2015, to the Anthem board of directors, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken, is attached as Annex C hereto and is incorporated into this joint proxy statement/prospectus by reference in its entirety. The description of the opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Credit Suisse's opinion was provided to the Anthem board of directors (in its capacity as such) for its information in connection with its evaluation of the merger consideration and did not address any other aspect of the proposed**

**merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Anthem or the underlying business decision of Anthem to proceed with the merger. The opinion does not constitute advice or a recommendation to any Anthem shareholder as to how such shareholder should vote or act on any matter relating to the proposed merger or otherwise.**



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In arriving at its opinion, Credit Suisse:

reviewed the merger agreement and certain related agreements;

reviewed certain publicly available business and financial information relating to Anthem and Cigna;

reviewed certain other information relating to Anthem and Cigna provided to or discussed with Credit Suisse by Anthem and Cigna, including financial forecasts relating to Anthem and Cigna;

met with the managements of Anthem and Cigna to discuss the business and prospects of Anthem and Cigna, respectively;

considered certain financial and stock market data of Anthem and Cigna, and Credit Suisse compared that data with similar data for publicly held companies in businesses Credit Suisse deemed similar to that of Anthem and Cigna;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have been effected or announced; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the financial forecasts for Cigna provided to Credit Suisse by the management of Anthem that Credit Suisse has reviewed, the management of Anthem advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Anthem as to the future financial performance of Cigna. With respect to the financial forecasts for Anthem that Credit Suisse has reviewed, the management of Anthem advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Anthem as to the future financial performance of Anthem. With respect to estimates provided to Credit Suisse by Anthem's management regarding cost savings and synergies anticipated to result from the merger, as well as the estimates provided to Credit Suisse by Anthem's management regarding the dis-synergies anticipated to result from the merger (including dis-synergies attributable to obtaining the necessary approvals to consummate the merger), Anthem's management advised Credit Suisse, and Credit Suisse assumed, that such estimates were reasonably prepared on bases reflecting the best currently available estimates and judgments of Anthem's management as to such cost savings, synergies and dis-synergies, and that such cost savings, synergies and dis-synergies would be realized in the amounts and at the times indicated by such estimates. In addition, Credit Suisse has, without independent verification, relied upon (and the financial forecasts provided to or discussed with Credit Suisse by Anthem reflect) Anthem's assessment regarding its ability to maintain its licenses with the BCBSA and comply with the related requirements and restrictions regarding its operations after giving effect to the merger without adversely affecting its

business, financial condition and results of operations. See the sections entitled *Anthem Unaudited Prospective Financial Information* and *Cigna Unaudited Prospective Financial Information* beginning on pages 157 and 159, respectively, of this joint proxy statement/prospectus for a summary of the financial forecasts for Anthem and Cigna that Credit Suisse utilized in its analyses, as well as the estimates provided to Credit Suisse by Anthem's management regarding cost savings, synergies and dis-synergies anticipated to result from the merger.

Credit Suisse further assumed, with Anthem's consent, that, in the course of obtaining necessary regulatory and third party consents, approvals or agreements in connection with the merger, no modification, delay, limitation, restriction or condition would be imposed (other than any projected dis-synergies provided to Credit Suisse by Anthem and reflected in Credit Suisse's analyses) that would have an adverse effect, that would be material to Credit Suisse's analyses, on Anthem, Cigna, their respective subsidiaries, or the contemplated benefits of the merger, and that the merger would be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement. Anthem

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advised Credit Suisse, and for purposes of its analyses and its opinion Credit Suisse assumed, with Anthem's consent, that, for U.S. federal income tax purposes, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In addition, Credit Suisse was not requested to, and did not, make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Anthem or Cigna, nor was Credit Suisse furnished with any such evaluations or appraisals.

Credit Suisse's opinion addressed only the fairness, from a financial point of view and as of the date of its opinion, to Anthem of the merger consideration and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise, including, without limitation, the form or structure of the merger or the merger consideration, the second merger or the financing of the cash consideration for the merger. Credit Suisse's opinion also did not address the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. The issuance of Credit Suisse's opinion was approved by Credit Suisse's authorized internal committee.

Credit Suisse's opinion was necessarily based upon information made available to it as of the date of its opinion and upon financial, economic, market and other conditions as they existed and could be evaluated on that date. Credit Suisse did not express any opinion as to what the value of shares of Anthem common stock actually would be when issued pursuant to the merger or the prices at which shares of Anthem common stock would trade at any time. Credit Suisse's opinion does not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to Anthem, nor does it address the underlying business decision of Anthem to proceed to the merger. Except as described in this summary, the Anthem board of directors imposed no other limitations on Credit Suisse with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the Anthem board of directors, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse's analyses described below is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Credit Suisse arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters as they existed on, and could be evaluated as of, the date of its opinion, many of which are beyond Anthem's control. No company, transaction or business used in Credit Suisse's analyses is identical to Anthem, Cigna or the proposed merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse's analyses and the implied per share reference ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Credit Suisse's analyses are inherently subject to substantial uncertainty.



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Credit Suisse was not requested to, and it did not, recommend the specific consideration payable by Anthem in the proposed merger, which merger consideration was determined through negotiations between Anthem and Cigna, and the decision to enter into the merger agreement was solely that of the Anthem board of directors. Credit Suisse's opinion and financial analyses were only one of many factors considered by the Anthem board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the Anthem board of directors or Anthem's management with respect to the merger or the merger consideration. Under the terms of its engagement by Anthem, neither Credit Suisse's opinion nor any other advice or services rendered by it in connection with the proposed merger or otherwise, should be construed as creating, and Credit Suisse should not be deemed to have, any fiduciary duty to the Anthem board of directors, Anthem, Cigna, any security holder or creditor of Anthem or Cigna or any other person, regardless of any prior or ongoing advice or relationships.

***Summary of the Financial Analyses of Credit Suisse***

The following is a summary of the material financial analyses provided to the Anthem board in connection with Credit Suisse's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.** Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse's financial analyses. For purposes of the financial analyses summarized below, the term "implied Cigna merger consideration" refers to the total implied value of the merger consideration to be paid by Anthem of \$183.31 per share calculated as the sum of (i) the \$103.40 per share cash consideration to be paid in the merger plus (ii) the \$79.91 per share implied value of the stock consideration to be paid in the merger based on the 0.5152 of a share of Anthem common stock included in the merger consideration to be paid by Anthem and Anthem's closing stock price of \$155.10 per share on July 22, 2015.

***Cigna Financial Analyses******Cigna Selected Companies Analysis.***

Credit Suisse reviewed certain financial and stock market information of Cigna and the following eight selected publicly traded companies, including Anthem, with operations in whole or in part in the managed care industry, which is the industry in which Cigna primarily operates. Credit Suisse organized the selected companies as Diversified MCOs and Government MCOs, and the calculated multiples (each as described below) for each of the selected companies are listed below.

**Diversified MCOs**

	EBITDA multiples		P/E multiples	
	CY 2015E	CY 2016E	CY 2015E	CY 2016E
UnitedHealth Group Incorporated	11.1x	10.2x	17.3x	15.5x
Anthem	10.6x / 9.9x <sup>1</sup>	10.2x / 9.4x <sup>2</sup>	16.4x	14.8x
Aetna Inc.	10.0x	9.5x	15.8x	14.2x
Health Net, Inc.	9.5x	7.9x	18.5x	15.4x

- <sup>1</sup> Adjusted to add back software amortization of \$413 million in 2015E.
- <sup>2</sup> Adjusted to add back software amortization of \$445 million in 2016E.

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	EBITDA multiples		P/E multiples	
	CY 2015E	CY 2016E	CY 2015E	CY 2016E
Humana Inc.	9.4x	8.6x	19.6x	17.4x
Centene Corporation	13.1x	11.4x	26.1x	22.8x
Molina Healthcare, Inc.	9.7x	7.5x	27.7x	20.3x
Wellcare Health Plans, Inc.	9.1x	7.0x	23.3x	16.3x

Credit Suisse reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on May 28, 2015, plus debt, non-controlling interests and other adjustments, and less cash and equivalents held at the parent company as a multiple of calendar years 2015 and 2016 estimated earnings before interest, taxes, depreciation and amortization, referred to as EBITDA in this joint proxy statement/prospectus. Credit Suisse used closing stock prices on May 28, 2015 for its analyses because May 28th was the last trading day prior to reports of business combinations in the managed care sector. The mean and median EBITDA multiples for calendar years 2015 and 2016 observed for the selected companies were as follows:

**Enterprise Value / EBITDA Multiples for Diversified MCOs<sup>3</sup>**

	CY 2015E	CY 2016E
Mean	10.3x	9.4x
Median	10.3x	9.8x

**Enterprise Value / EBITDA Multiples for Government-Focused MCOs**

	CY 2015E	CY 2016E
Mean	10.3x	8.6x
Median	9.6x	8.1x

Credit Suisse also reviewed equity values of the selected companies, based on closing stock prices on May 28, 2015, as a multiple of calendar years 2015 and 2016 estimated cash earnings per share ( P/E ). The mean and median P/E multiples for calendar years 2015 and 2016 observed for the selected companies were as follows:

**P/E Multiples for Diversified MCOs**

	CY 2015E	CY 2016E
Mean	17.0x	15.0x
Median	16.8x	15.1x

**P/E Multiples for Government-Focused MCOs**

	CY 2015E	CY 2016E
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Mean	24.2x	19.2x
Median	24.7x	18.9x

In calculating an implied per share reference range for Cigna, Credit Suisse then applied ranges derived from the Cigna selected companies analysis of selected multiples of calendar years 2015 and 2016 estimated

<sup>3</sup> Not adjusted for add back software amortization for Anthem in 2015E and 2016E



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EBITDA of 9.5x to 11.0x and 8.5x to 10.0x, respectively, and selected multiples of calendar years 2015 and 2016 estimated P/E of 15.5x to 17.0x and 14.0x to 15.5x, respectively, to corresponding data of Cigna. Financial data of the selected companies were based on publicly available research analysts' consensus estimates, public filings and other publicly available information. Financial data of Cigna were based on public filings and Anthem management's adjusted financial forecasts for Cigna. This analysis indicated the following approximate implied per share reference range for Cigna as compared to the implied Cigna merger consideration and Cigna's unaffected closing stock price of \$135.87 per share on May 28, 2015, the last closing stock price prior to reports of business combinations in the managed care sector:

Implied Per Share Reference Range		Implied Cigna Merger Consideration	Unaffected Cigna Stock Price Per Share
\$132.29	\$159.71	\$183.31	\$135.87

*Cigna Selected Transactions Analysis.*

Credit Suisse reviewed certain financial information of the following 18 selected transactions involving Diversified MCOs and 10 selected transactions involving Government-Focused MCOs, in each case with operations in whole or in part in the managed care industry, which is the industry in which Cigna primarily operates. The selected transactions and the calculated multiples (each as described below) for each of the selected transactions are listed below.

Announcement Date	Acquiror	Target	LTM EBITDA	NTM EBITDA
<b>Transactions involving Diversified MCO</b>				
7/2/15	Centene Corporation	Health Net Inc.	14.0x	7.0x
12/17/12	UnitedHealth Group Incorporated	North American Medical Management, Inc.	10.0x	NA
10/8/12	UnitedHealth Group Incorporated	AMIL Participações S.A.	13.0x	NA
8/20/12	Aetna, Inc.	Coventry Health Care, Inc.	7.2x	7.7x
11/26/07	Cigna	Great-West Healthcare of Colorado, Inc.	7.1x	NA
7/11/07	Coventry Health Care, Inc.	Vista Healthplan, Inc.	10.0x	8.5x
3/12/07	UnitedHealth Group Incorporated	Sierra Health Services, Inc.	11.4x	11.1x
9/27/05	WellPoint Health Networks Inc.	WellChoice Inc.	12.6x	11.6x
9/15/05	The Blackstone Group and others	HealthMarkets, Inc.	5.5x	NA
10/14/04	Coventry Health Care, Inc.	First Health Group Corp.	6.7x	6.8x
9/15/04	Pacificare Health Systems, Inc.	American Medical Security Group, Inc.	8.5x	8.6x
4/26/04	UnitedHealth Group Incorporated	Oxford Health Plans, Inc.	7.4x	7.5x
10/27/03	Anthem	WellPoint, Inc.	10.3x	9.6x
10/27/03	UnitedHealth Group Incorporated	Mid Atlantic Medical Services, LLC	12.9x	10.4x
6/3/03	WellPoint Health Networks Inc.	Cobalt Corporation	11.3x	12.6x
4/29/02	Anthem	Trigon Healthcare, Inc.	15.8x	NA
10/18/01	WellPoint Health Networks Inc.	RightCHOICE Managed Care, Inc.	12.5x	NA
11/29/00	WellPoint Health Networks Inc.	Cerulean Companies, Inc.	9.8x	NA
<b>Transactions involving Government-Focused MCOs</b>				
7/3/15	Aetna, Inc.	Humana Inc.	13.1x	12.8x
11/5/12	Humana Inc.	Metropolitan Health Networks, Inc.	8.7x	7.5x

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7/9/12	WellPoint Health Networks Inc.	Amerigroup Corporation	15.3x	11.3x
11/22/11	UnitedHealth Group Incorporated	XLHealth Corporation	11.8x	NA
10/24/11	Cigna	HealthSpring, Inc.	7.6x	7.0x
6/8/11	WellPoint Health Networks Inc.	CareMore Medical Group, Inc.	10.0x	NA
8/27/10	HealthSpring, Inc.	Bravo Health, Inc.	7.3x	NA
5/24/07	Aetna, Inc.	Schaller Anderson, Incorporated	9.7x	NA
7/6/05	UnitedHealth Group Incorporated	Pacificare Health Systems, Inc.	13.3x	12.0x
6/18/02	UnitedHealth Group Incorporated	AmeriChoice Corporation	8.1x	NA

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Credit Suisse reviewed, among other things, transaction values, calculated as the purchase prices paid for each target company in the selected transaction plus debt, non-controlling interests and other adjustments, and less cash and equivalents held at the parent company, as a multiple of, to the extent publicly available, the target company's latest 12 months' EBITDA, referred to as LTM EBITDA in this joint proxy statement/prospectus and next 12 months' EBITDA, referred to as NTM EBITDA in this joint proxy statement/prospectus. In addition, Credit Suisse compared the mean and median of the LTM and NTM EBITDA multiples for the selected transactions announced during the period after the U.S. Supreme Court's decision to uphold the Patient Protection and Affordable Care Act on June 28, 2012.

The mean and median LTM EBITDA multiples and NTM EBITDA multiples observed for the selected transactions involving Diversified MCOs and Government-Focused MCOs were as follows:

**Multiples for Diversified MCOs**

	<b>LTM EBITDA</b>	<b>NTM EBITDA</b>
Mean	10.3x	9.2x
Median	10.2x	8.6x

**Multiples for Government-Focused MCOs**

	<b>LTM EBITDA</b>	<b>NTM EBITDA</b>
Mean	10.5x	10.1x
Median	9.8x	11.3x

The mean and median LTM EBITDA multiples and NTM EBITDA multiples observed for selected transactions involving Diversified MCOs and Government-Focused MCOs after the U.S. Supreme Court's decision to uphold the Affordable Care Act on June 28, 2012 were as follows:

**Multiples for Diversified MCOs**

	<b>LTM EBITDA</b>	<b>NTM EBITDA</b>
Mean	11.1x	7.4x
Median	11.5x	7.4x

**Multiples for Government-Focused MCOs**

	<b>LTM EBITDA</b>	<b>NTM EBITDA</b>
Mean	12.4x	10.5x
Median	13.1x	11.3x

In calculating an implied per share reference range for Cigna, Credit Suisse applied a range of selected multiples of LTM EBITDA and NTM EBITDA derived from the selected transactions of 9.0x to 13.5x, in each case, to Cigna's EBITDA for the LTM and NTM ended March 31, 2015, respectively. LTM and NTM EBITDA for the selected transactions were based on publicly available information, including press releases, public filings and research analysts' estimates. LTM and NTM EBITDA for Cigna were based on public filings as of March 31, 2015. This

analysis indicated the following approximate implied per share reference range for Cigna, as compared to the implied Cigna merger consideration and Cigna's unaffected closing stock price of \$135.87 per share on May 28, 2015, the last closing stock price prior to reports of business combinations in the managed care sector:

<b>Implied Per Share Reference Range</b>	<b>Implied Cigna Merger Consideration</b>	<b>Unaffected Cigna Stock Price Per Share</b>
\$117.86 \$204.50	\$183.31	\$135.87

**Table of Contents***Cigna Discounted Cash Flow Analysis.*

Credit Suisse performed a discounted cash flow analysis of Cigna to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Cigna was forecasted to generate during the second half of the fiscal year ending December 31, 2015, through the full fiscal year ending December 31, 2020, based on Anthem management's adjusted financial forecasts for Cigna. Credit Suisse calculated terminal values for Cigna by applying to Cigna's estimated EBITDA for the fiscal year ending December 31, 2020, a range of terminal value EBITDA multiples of 9.5x to 11.5x. The present value (as of June 30, 2015) of the cash flows and terminal values was then calculated using discount rates ranging from 6.0% to 7.5%.

Credit Suisse also calculated the estimated present value of the potential synergies, integration costs, and potential dis-synergies anticipated by Anthem's management to result from the merger. Credit Suisse applied a range of terminal value EBITDA multiples of 9.5x to 11.5x to estimated pre-tax synergies for the fiscal year ending December 31, 2020. The estimated present value of the potential synergies, integration costs, and potential dis-synergies and terminal values were then calculated using discount rates ranging from 6.0% to 7.5%.

This analysis indicated the following approximate implied per share reference range for Cigna both (1) excluding the estimated present value of potential synergies, integration costs and potential dis-synergies anticipated by Anthem's management to result from the merger and (2) including the estimated present value of potential synergies, integration costs and potential dis-synergies anticipated by Anthem's management to result from the merger, in each case as compared to the implied Cigna merger consideration and Cigna's unaffected closing stock price of \$135.87 per share on May 28, 2015, the last closing stock price prior to reports of business combinations in the managed care sector:

<b>Implied Per Share Reference Range (Excluding Synergies)</b>		<b>Implied Per Share Reference Range (Including Synergies)</b>		<b>Implied Cigna Merger Consideration</b>	<b>Unaffected Cigna Stock Price Per Share</b>
\$178.84	\$230.60	\$230.72	\$294.41	\$183.31	\$135.87

***Anthem Financial Analyses****Anthem Selected Companies Analysis.*

Credit Suisse reviewed certain financial and stock market information of Anthem and the following eight selected publicly traded companies, including Cigna, with operations in whole or in part in the managed care industry, which is the industry in which Anthem primarily operates. Credit Suisse organized the selected companies as Diversified MCOs and Government MCOs, and the calculated multiples for each of the selected companies are listed below.

**Diversified MCOs**

	EBITDA multiples		P/E multiples	
	CY 2015E	CY 2016E	CY 2015E	CY 2016E
UnitedHealth Group Incorporated	11.1x	10.2x	17.3x	15.5x
Aetna Inc.	10.0x	9.5x	15.8x	14.2x
Cigna	10.2x	9.5x	15.9x	14.3x
Health Net, Inc.	9.5x	7.9x	18.5x	15.4x



**Table of Contents****Government-Focused MCOs**

	EBITDA multiples		P/E multiples	
	CY 2015E	CY 2016E	CY 2015E	CY 2016E
Humana Inc.	9.4x	8.6x	19.6x	17.4x
Centene Corporation	13.1x	11.4x	26.1x	22.8x
Molina Healthcare, Inc.	9.7x	7.5x	27.7x	20.3x
Wellcare Health Plans, Inc.	9.1x	7.0x	23.3x	16.3x

Credit Suisse reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on May 28, 2015, plus debt, non-controlling interests and other adjustments, and less cash held at the parent company, as a multiple of calendar years 2015 and 2016 estimated EBITDA. The mean and median EBITDA multiples for calendar years 2015 and 2016 observed for the selected companies were as follows:

**Enterprise value / EBITDA Multiples for Diversified MCOs**

	CY 2015E	CY 2016E
Mean	10.2x	9.3x
Median	10.1x	9.5x

**Enterprise value / EBITDA Multiples for Government-Focused MCOs**

	CY 2015E	CY 2016E
Mean	10.3x	8.6x
Median	9.6x	8.1x

Credit Suisse also reviewed equity values of the selected companies, based on closing stock prices on May 28, 2015, as a multiple of calendar years 2015 and 2016 estimated cash earnings per share ( P/E ). The mean and median P/E multiples for calendar years 2015 and 2016 observed for the selected companies were as follows:

**P/E Multiples for Diversified MCOs**

	CY 2015E	CY 2016E
Mean	16.9x	14.9x
Median	16.6x	14.9x

**P/E Multiples for Government-Focused MCOs**

	CY 2015E	CY 2016E
Mean	24.2x	19.2x
Median	24.7x	18.9x





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In calculating an implied per share reference range for Anthem, Credit Suisse then applied ranges derived from the Anthem selected companies analysis of selected multiples of calendar years 2015 and 2016 estimated EBITDA of 9.5x to 11.0x and 8.5x to 10.0x, respectively, and selected multiples of calendar years 2015 and 2016 estimated P/E of 15.5x to 17.0x and 14.0x to 15.5x, respectively, to corresponding data of Anthem. Financial data of the selected companies were based on publicly available research analysts' consensus estimates, public filings and other publicly available information. Financial data of Anthem were based on public filings and Anthem management's financial forecasts for Anthem. This analysis indicated the following approximate implied per share reference range for Anthem as compared to Anthem's closing stock price of \$155.10 per share on July 22, 2015 and Anthem's unaffected stock price on May 28, 2015, the last closing stock price prior to reports of business combinations in the managed care sector:

<b>Implied Per Share Reference Range</b>		<b>Anthem Stock Price Per Share on July 22, 2015</b>	<b>Unaffected Anthem Stock Price Per Share</b>
\$152.21	\$192.84	\$155.10	\$164.22

*Anthem Discounted Cash Flow Analysis.*

Credit Suisse performed a discounted cash flow analysis of Anthem to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Anthem was forecasted to generate during the second half of the fiscal year ending December 31, 2015, through the full fiscal year ending December 31, 2020, based on Anthem management's financial forecasts for Anthem. Credit Suisse calculated terminal values for Anthem by applying to Anthem's estimated EBITDA for the fiscal year ending December 31, 2020, a range of terminal value EBITDA multiples of 9.5x to 11.5x. The present value (as of June 30, 2015) of the cash flows and terminal values was then calculated using discount rates ranging from 6.0% to 7.5%. This analysis indicated the following approximate implied per share reference range for Anthem as compared to Anthem's closing stock price of \$155.10 per share on July 22, 2015, and Anthem's unaffected stock price on May 28, 2015, the last closing stock price prior to reports of business combinations in the managed care sector:

<b>Implied Per Share Reference Range</b>		<b>Anthem Stock Price Per Share on July 22, 2015</b>	<b>Unaffected Anthem Stock Price Per Share</b>
\$222.16	\$285.86	\$155.10	\$164.22

*Implied Exchange Ratio Analysis*

Using the implied per share reference ranges for Anthem and Cigna indicated in the respective selected companies analyses and discounted cash flow analyses of Anthem and Cigna described above, Credit Suisse calculated ranges of implied exchange ratios of Anthem common stock to Cigna common stock. For purposes of this calculation, the implied per share reference ranges for Cigna were adjusted downward by the amount of the \$103.40 per share cash consideration to be paid in the merger and, in the case of the discounted cash flow analyses of Anthem and Cigna, Credit Suisse calculated implied exchange ratio reference ranges both excluding and including the estimated present value of potential synergies and dis-synergies as described above in the section entitled *Cigna Discounted Cash Flow Analysis* beginning on page 141 of this joint proxy statement/prospectus. When included, synergies and dis-synergies were added to the Cigna discounted cash flow implied per share reference ranges. This implied exchange ratio analysis indicated the following implied exchange ratio reference ranges, as compared to the stock consideration exchange ratio provided for the merger:

**Implied Exchange Ratio Reference Range Based on:**

<b>Selected Companies Analysis</b>	<b>Discounted Cash Flow Analysis (Excluding Synergies)</b>	<b>Discounted Cash Flow Analysis (Including Synergies)</b>	<b>Merger Stock Consideration Exchange Ratio</b>
0.1498 0.3699	0.2639 0.5726	0.4454 0.8598	0.5152

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**Table of Contents*****Pro Forma Discounted Cash Flow Analysis***

Credit Suisse performed a pro forma discounted cash flow analysis of the combined company based on Credit Suisse's financial analyses described above in the sections entitled *Cigna Discounted Cash Flow Analysis* and *Anthem Discounted Cash Flow Analysis* beginning on pages 141 and 143, respectively, of this joint proxy statement/prospectus to generate an implied pro forma equity value per share of the combined company following consummation of the merger. The analysis assumed a range of discount rates of 6.00% to 7.50% (midpoint of 6.75%) and a range of terminal EBITDA multiples of 9.5x to 11.5x (midpoint of 10.5x) used in the sections entitled *Cigna Discounted Cash Flow Analysis* and *Anthem Discounted Cash Flow Analysis* beginning on pages 141 and 143, respectively, of this joint proxy statement/prospectus for both Anthem and Cigna. Based on these assumptions, Credit Suisse calculated a range of Anthem's standalone enterprise value and Cigna's standalone enterprise value by discounting to present values, in each case as of June 30, 2015, estimates of unlevered free cash flows of each company for the period beginning from and including the second half of the fiscal year ending December 31, 2015, through the full fiscal year ending December 31, 2020, assuming mid-year convention. Under the same assumptions, Credit Suisse also calculated a range of the present value of net synergies that are anticipated to result from the merger. Credit Suisse then calculated a range of implied pro forma equity value per share of the combined company of \$271.04 to \$274.19 (midpoint of \$271.22) by dividing (1) Anthem's standalone enterprise value, plus Cigna's standalone enterprise value, plus the present value of net synergies, minus the pro forma net debt of the combined business, by (2) the sum of Anthem's fully diluted shares of 277 million and the 136 million shares to be issued to Cigna shareholders upon consummation of the merger. The low pro forma equity value per share of the combined company presented reflects the high end of the Anthem standalone enterprise value range, the low end of Cigna standalone enterprise value range, and the low end of present value range of net synergies. The high pro forma equity value per share of the combined company presented reflects the low end of the Anthem standalone enterprise value range, the high end of Cigna standalone enterprise value range, and the high end of present value range of net synergies. The analysis indicated that the transaction created hypothetical incremental implied value for Anthem shareholders. There can be no assurance, however, that the synergies, dis-synergies and other impacts will not be substantially greater or less than those estimated by Anthem's management and described above.

***Other Information***

Credit Suisse also noted for the Anthem board of directors certain additional factors that were not considered part of Credit Suisse's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

price targets for Cigna common stock per share and Anthem common stock per share in publicly available Wall Street research analyst reports, which indicated low and high per share price targets for Cigna of \$137.00 to \$155.00 and low and high per share price targets for Anthem of \$150.00 to \$190.00;

illustrative exchange ratios of Anthem common stock to Cigna common stock based on the respective low and high per share price targets for Anthem and Cigna described above (adjusted downward, in the case of Cigna, by the amount of the \$103.40 per share cash consideration to be paid in the merger), which indicated a range of illustrative exchange ratios of approximately 0.1768 to 0.3440;

historical trading prices of Cigna common stock and Anthem common stock during the 52-week period ended May 28, 2015, which reflected low and high per share prices for Cigna during such period of approximately \$87.71 to \$135.87 and low and high per share prices for Anthem during such period of approximately \$105.28 to \$164.62; and

premiums paid in selected transactions with transaction values of \$20 billion or more announced since January 1, 1999, which, after applying a selected range of premiums derived from the closing stock prices of the target companies in such transactions one-day prior to public announcement of the relevant transactions of approximately 20% to 40%, representing the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile

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of the premiums paid in the selected transaction, to Cigna's closing stock price on May 28, 2015, indicated an implied per share reference range for Cigna of approximately \$163.04 to \$190.22.

***Miscellaneous***

Anthem selected Credit Suisse to act as its financial advisor in connection with the merger based on Credit Suisse's qualifications, experience, reputation and familiarity with Anthem. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Anthem has agreed to pay Credit Suisse for its financial advisory services to Anthem in connection with the proposed merger an aggregate fee of up to \$15 million, of which \$3 million was payable upon the announcement and signing of a definitive agreement, \$3 million was payable upon delivery of Credit Suisse's opinion and \$9 million is contingent upon completion of the merger. Credit Suisse and certain of its affiliates expect to provide or arrange financing for the merger, for which services Credit Suisse and certain of its affiliates expect to receive additional compensation in connection with such financing. In addition, Anthem has agreed to reimburse Credit Suisse for certain expenses, including fees and expenses of legal counsel, and to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement. Credit Suisse and its affiliates in the past have provided and currently are providing investment banking and other financial services to Anthem and its affiliates, for which services Credit Suisse and its affiliates have received and will receive compensation including (1) having acted as lead bookrunner in May 2015 in connection with Anthem's \$1,250 million offering of debt and equity units, (2) having acted as co-manager in August 2014 in connection with Anthem's \$850 million offering of 2.250% notes due 2019, \$800 million offering of 3.500% notes due 2024, \$800 million offering of 4.650% notes due 2044 and \$250 million offering of 4.850% notes due 2054, and senior co-manager in July 2013 in connection with Anthem's \$650 million offering of 2.300% notes due 2018 and \$600 million offering of 5.100% notes due 2044, (3) participating in Anthem's \$3.5 billion revolving credit facility, and (4) having acted as financial advisor in connection with Anthem's acquisitions of 1-800 Contacts and Amerigroup Corporation in 2012. Credit Suisse and its affiliates may have provided other financial advice and services, and may in the future provide financial advice and services, to Anthem, Cigna and their respective affiliates for which Credit Suisse and its affiliates have received, and would expect to receive, compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for Credit Suisse's and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Anthem, Cigna and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

**Opinion of Cigna's Financial Advisor**

The Cigna board of directors retained Morgan Stanley to act as its financial advisor and to provide it with a financial opinion in connection with the mergers. Cigna selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the industry, business and affairs of Cigna. At the meeting of the Cigna board of directors on July 23, 2015, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing on the same date, to the Cigna board of directors to the effect that, as of such date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its written opinion, the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to

restricted stock awards of Cigna) pursuant to the merger agreement was fair from a financial point of view to such holders.

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**The full text of Morgan Stanley's written opinion to the Cigna board of directors, dated July 23, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached to this joint proxy statement/prospectus as Annex D. The foregoing summary of Morgan Stanley's opinion is qualified in its entirety by reference to the full text of the opinion. You are encouraged to read Morgan Stanley's opinion and the summary of Morgan Stanley's opinion below carefully and in their entirety. Morgan Stanley's opinion was for the benefit of the Cigna board of directors, in its capacity as such, and addressed only the fairness from a financial point of view of the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement as of the date of the opinion and did not address any other aspects or implications of the mergers. Morgan Stanley's opinion was not intended to, and does not, constitute advice or a recommendation as to how Cigna's shareholders should vote at any shareholders' meeting to be held in connection with the mergers or take any other action with respect to the mergers.**

In connection with rendering its opinion, Morgan Stanley, among other things:

- (a) reviewed certain publicly available financial statements and other business and financial information of Cigna and Anthem, respectively;
- (b) reviewed certain internal financial statements and other financial and operating data concerning Cigna and Anthem, respectively;
- (c) reviewed certain financial projections prepared by the managements of Cigna and Anthem, respectively, including certain adjustments to the financial projections of Anthem prepared by the management of Cigna;
- (d) reviewed information relating to certain strategic, financial and operational benefits anticipated from the mergers, prepared by the management of Cigna;
- (e) discussed the past and current operations and financial condition and the prospects of Cigna, including information relating to certain strategic, financial and operational benefits anticipated from the mergers, with senior executives of Cigna;
- (f) discussed the past and current operations and financial condition and the prospects of Anthem with senior executives of Anthem;
- (g) reviewed the pro forma impact of the mergers on Anthem's earnings per share, cash flow, consolidated capitalization and financial ratios;

- (h) reviewed the reported prices and trading activity for Cigna common stock and Anthem common stock;
- (i) compared the financial performance of Cigna and Anthem and the prices and trading activity of Cigna common stock and Anthem common stock with that of certain other publicly-traded companies comparable with Cigna and Anthem, respectively, and their securities;
- (j) reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- (k) participated in discussions and negotiations among representatives of Cigna and Anthem and their financial and legal advisors;
- (l) reviewed the merger agreement, the commitment letter, dated as of July 23, 2015, among Anthem, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse AG, Credit Suisse Securities (USA) LLC, UBS Securities LLC and UBS AG, referred to as the commitment letter, and certain related documents; and



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(m) performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by Cigna and Anthem, and formed a substantial basis for its opinion. Morgan Stanley further relied upon the assurances of the managements of Cigna and Anthem that neither was aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections referred to above, including (1) the adjustments to the financial projections of Anthem prepared by the management of Cigna and (2) information relating to certain strategic, financial and operational benefits anticipated from the mergers prepared by the management of Cigna, Morgan Stanley has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Cigna and Anthem of the future financial performance of Cigna and Anthem. In addition, Morgan Stanley assumed that the mergers will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that if the second merger occurs, the mergers, taken together, will be treated as a tax-free reorganization, pursuant to Section 368(a) of the Code, as amended, and that Anthem will obtain financing in accordance with the terms set forth in the commitment letter. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed mergers, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed mergers. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Anthem and Cigna and their legal, tax and regulatory advisors with respect to legal, tax and regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of Cigna's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of Cigna common stock in the mergers. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Cigna or Anthem, nor was it furnished with any such valuations or appraisals. Morgan Stanley's opinion does not address the relative merits of the mergers as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available, nor does it address the underlying business decision of Cigna to enter into the merger agreement. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of its opinion. Events occurring after such date may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with the preparation of its opinion to the Cigna board of directors. The following summary is not a complete description of Morgan Stanley's opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's opinion. Morgan Stanley considered a number of factors in analyzing the merger consideration. The fact that points in the ranges of implied equity value per share of Cigna common stock derived below were less than or greater than the merger consideration is not necessarily dispositive in connection with Morgan Stanley's analysis of the merger consideration, but is one of many factors Morgan Stanley considered. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before July 22, 2015, which was the last trading day prior to the date on which the

Cigna board of directors approved the mergers, and is not necessarily indicative of current market conditions.

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**Table of Contents*****Analyses Related to Cigna******Historical Trading Range Analysis***

Morgan Stanley reviewed historical data with regard to the trading prices of Cigna common stock over the 52-week period and six-month period ending on June 12, 2015, which was the last trading day prior to public rumors of the mergers. During this 52-week period and six-month period, the trading price of Cigna common stock ranged from \$88.00 to \$144.00 and from \$100.00 to \$144.00, respectively, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared these ranges to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

***Equity Research Analysts Price Targets***

Morgan Stanley reviewed sell-side analyst price targets per share of Cigna common stock prepared and published by 11 equity research analysts during the time period from April 6, 2015 to July 10, 2015. These targets generally reflect each analyst's estimate of the 12-month future public market trading price per share of Cigna common stock and were not discounted to reflect present values. The range of undiscounted price targets for Cigna common stock was \$137.00 per share to \$155.00 per share. Morgan Stanley also noted that the median of the undiscounted price targets for Cigna common stock was \$150.00.

In order to better compare the price targets with the merger consideration, Morgan Stanley discounted such price targets to present value by applying, for a one-year discount period, an illustrative discount rate of 7.2%, which was selected by Morgan Stanley based on Cigna's assumed cost of equity using a capital asset pricing model, which is a financial valuation method that takes into account both returns in equity markets generally and volatility in a company's common stock. This analysis indicated an implied range of equity values for Cigna common stock of \$128.00 per share to \$145.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley also reviewed undiscounted estimated takeover price targets per share of Cigna common stock prepared and published by six equity research analysts during the time period from June 17, 2015 to July 9, 2015. These targets reflect each analyst's estimate of the acquisition price of Cigna if it were to be taken private or acquired. The range of undiscounted estimated takeover price targets per share of Cigna common stock was \$170.00 per share to \$190.00 per share.

Morgan Stanley compared the foregoing ranges to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

The price targets published by equity research analysts do not necessarily reflect current market trading prices for shares of Cigna common stock and these estimates are subject to uncertainties, including the future financial performance of Cigna and future financial market conditions.

***Comparable Public Company Analysis***

Morgan Stanley performed a comparable public company analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and

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compared certain financial information of Cigna with corresponding financial data for other companies that shared certain similar characteristics to Cigna to derive an implied valuation range for Cigna. The companies used in this comparison included the following:

Anthem

Aetna Inc. ( Aetna )

Humana Inc. ( Humana )

UnitedHealth Group Incorporated ( UNH )

The above companies were chosen based on Morgan Stanley's knowledge of the industry and because they have businesses that may be considered similar to Cigna's. Although none of such companies are identical or directly comparable to Cigna, these companies are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of its analysis Morgan Stanley considered similar to Cigna.

For purposes of this analysis, Morgan Stanley analyzed the following statistics of each of these companies, based on public filings, publicly available research estimates and publicly available financial information published by Thomson Reuters and Capital IQ:

the ratio of stock price as of June 12, 2015, which was the last trading day prior to public rumors of the mergers (or, in the case of Humana, as of May 28, 2015, which was the last trading day prior to public rumors that Humana was exploring a sale) to estimated calendar year 2015 earnings per share, which is referred to below as the CY2015E P/E Ratio; and

the ratio of stock price as of June 12, 2015, which was the last trading day prior to public rumors of the mergers (or, in the case of Humana, as of May 28, 2015, which was the last trading day prior to public rumors that Humana was exploring a sale) to estimated calendar year 2016 earnings per share, which is referred to below as the CY2016E P/E Ratio.

The table below shows the results of Morgan Stanley's analyses:

	<b>CY2015E P/E Ratio</b>	<b>CY2016E P/E Ratio</b>
Anthem	16.8x	15.2x
Aetna	16.4x	14.5x
Humana	19.9x	18.0x
UNH	18.8x	16.0x <sup>(1)</sup>

(1) Pro forma taking into account UNH's announced acquisition of Catamaran Corp.

Based on its analysis of the relevant metrics for each of the comparable companies and upon the application of its professional judgment, Morgan Stanley selected representative ranges of CY2015E P/E Ratio and CY2016E P/E Ratio multiples and applied these ranges of multiples to Cigna's estimated calendar year 2015 earnings per share and Cigna's estimated calendar year 2016 earnings per share, respectively. For purposes of this analysis, Morgan Stanley utilized estimates prepared by Cigna's management, referred to as the Cigna management case, which is more fully described in the section entitled *Cigna Unaudited Prospective Financial Information* beginning on page 159 of this joint proxy statement/prospectus.

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Morgan Stanley then calculated a range of implied equity values per share of Cigna common stock as follows, in each case rounded to the nearest \$1.00 per share:

	<b>Selected Representative Multiple Range</b>		<b>Implied Equity Value Per Share of Cigna Common Stock</b>	
CY2015E P/E Ratio	15.5x	17.5x	\$ 127.00	\$144.00
CY2016E P/E Ratio	14.0x	16.0x	\$ 130.00	\$149.00

Morgan Stanley compared the foregoing ranges of implied equity value per share of Cigna common stock to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

No company included in the comparable public company analysis is identical to Cigna. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Cigna. These include, among other things, the impact of competition on the business of Cigna and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Cigna and the industry, and in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using comparable company data.

*Discounted Equity Value Analysis*

Morgan Stanley performed a discounted equity value analysis, which is designed to provide insight into the estimated future implied value of a company's common equity as a function of such company's estimated future earnings per share and a potential range of earnings multiples. As part of this analysis, Morgan Stanley calculated a future value range of implied equity values per share of Cigna common stock as of December 31, 2016 and subsequently discounted such future value range to arrive at a present value range of implied equity values per share of Cigna common stock as of June 30, 2015. To calculate the future value range, Morgan Stanley used Cigna's estimated calendar year 2017 earnings per share based on the Cigna management case and applied a range of stock price to estimated calendar year 2017 earnings per share multiples of 13.0x to 17.0x, derived by Morgan Stanley using its experience and professional judgment. To calculate the present value range, Morgan Stanley applied a discount rate of 7.2%, which discount rate was selected by Morgan Stanley based on Cigna's assumed cost of equity of 7.2% less Cigna's current dividend yield of 0.03%.

This analysis indicated a range of implied equity values per share of Cigna common stock of \$126.00 per share to \$165.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared the foregoing range of implied equity values per share of Cigna common stock to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

*Discounted Cash Flow Analysis*

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of such company. Morgan Stanley calculated a range of implied equity values per share for Cigna as of June 30, 2015, based on estimates of future unlevered free cash flow for calendar years 2015 through 2020. Morgan Stanley utilized estimates from the Cigna management case, including net debt of Cigna as of June 30, 2015 of \$4.7



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billion. For purposes of its discounted cash flow analysis, Morgan Stanley defined unlevered free cash flow as earnings before interest and taxes (1) plus depreciation, (2) plus amortization, (3) plus the tax benefit for the deductible portion of amortization, (4) less income taxes, (5) less increases in working capital, (5) less pension contribution, (6) less capital expenditures and (7) less net cash flow retained at subsidiaries to satisfy risk-based capital requirements. Morgan Stanley then calculated a range of terminal values for Cigna by applying a terminal perpetual growth rate range of 2.0% to 3.0%. Morgan Stanley selected the terminal perpetual growth rate range based on the application of its experience and professional judgment. The unlevered free cash flows and the terminal values were then discounted to June 30, 2015 by applying a discount rate of 6.6%, which was selected based on Morgan Stanley's professional judgment and taking into consideration, among other things, a weighted average cost of capital calculation and Cigna's assumed cost of equity calculated using a capital asset pricing model.

This analysis indicated a range of implied equity values per share of Cigna common stock of \$168.00 per share to \$211.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared the foregoing range of implied equity values per share of Cigna common stock to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

*Precedent Transactions and Premia Paid Analysis*

Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial terms and premia of selected transactions that share some characteristics with the mergers. Morgan Stanley reviewed the publicly available financial information for 13 selected transactions in the managed care industry since January 1, 2002 with a publicly announced transaction value of more than \$1.5 billion and involving a strategic acquiror.

For purposes of this analysis, based on publicly available financial information, Morgan Stanley analyzed the ratio of the implied aggregate value to last twelve month earnings before interest, taxes, depreciation and amortization, referred to as the AV/LTM EBITDA Ratio, for each of the target companies in the selected transactions. The transactions reviewed, the date that each transaction was announced and the corresponding AV/LTM EBITDA Ratios for such target companies, as well as the mean and median AV/LTM EBITDA Ratios for all of the selected transactions, were as follows:

<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>	<b>AV/LTM EBITDA Ratio</b>
July 3, 2015	Aetna	Humana	13.7x
July 2, 2015	Centene Corporation	Health Net, Inc. <sup>(1)</sup>	13.9x
August 20, 2012	Aetna	Coventry Health Care, Inc.	7.1x
July 9, 2012	Anthem	Amerigroup Corporation	14.7x
October 24, 2011	Cigna	HealthSpring, Inc. <sup>(2)</sup>	7.6x
March 12, 2007	UNH	Sierra Health Services, Inc.	10.9x
September 27, 2005	Anthem	WellChoice, Inc.	12.7x
July 6, 2005	UNH	PacifiCare Health Systems, Inc.	13.5x

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October 14, 2004	Coventry Health Care, Inc.	First Health Group Corporation	6.6x
April 26, 2004	UNH	Oxford Health Plans, Inc.	7.3x
October 27, 2003	UNH	Mid Atlantic Medical Services, Inc.	12.4x
October 27, 2003	Anthem	WellPoint Health Networks, Inc.	9.8x
April 29, 2002	Anthem	Trigon Healthcare, Inc.	20.2x

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- (1) AV/LTM EBITDA Ratio adjusted for expenses related to outsourcing deal with Cognizant Healthcare Services.  
 (2) AV/LTM EBITDA Ratio based on HealthSpring, Inc.'s estimated 2011 EBITDA.

	<b>AV/LTM EBITDA Ratio</b>
Mean	11.6x
Median	12.4x

Based on its analysis of the relevant metrics for each of the comparable transactions and upon the application of its professional judgment, Morgan Stanley selected a representative range of AV/LTM EBITDA Ratio multiples and applied this range of multiples to Cigna's EBITDA for the twelve months ended June 30, 2015.

Morgan Stanley calculated a range of implied equity values per share of Cigna common stock as follows, in each case rounded to the nearest \$1.00 per share:

	<b>Selected Representative Multiple Range</b>	<b>Implied Equity Value Per Share of Cigna Common Stock</b>
AV/LTM EBITDA Ratio	8.0x 14.0x	\$ 110.00 \$205.00

Morgan Stanley also reviewed the premia paid for transactions between January 1, 1990 and July 2, 2015 with a publicly announced transaction value of more than \$1.0 billion, as published by Thomson Reuters. The premia paid were based on the target company's stock price four weeks prior to the earliest of the public announcement of the transaction, the public announcement of a competing bid or public rumors of a potential transaction. Based on its analysis of the relevant metrics and upon the application of its professional judgment, Morgan Stanley selected a representative range of premia of 25% to 40% and applied this range of premia to the closing trading price per share of Cigna common stock as of June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31.

This analysis indicated a range of implied equity values per share of Cigna common stock of \$172.00 per share to \$192.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared the foregoing ranges of implied equity values per share of Cigna common stock to the closing trading price of Cigna common stock on June 12, 2015, which was the last trading day prior to public rumors of the mergers, of \$137.31, and the implied value of the consideration to be received by holders of shares of Cigna common stock in the mergers as of July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$183.31.

No company or transaction used in the precedent transactions or premia paid analysis is identical to Cigna or the mergers. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Cigna. These include, among other things, the impact of competition on the business of Cigna and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Cigna and the industry, and in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using comparable transaction data.



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**Table of Contents*****Analyses Related to Anthem******Historical Trading Range Analysis***

Morgan Stanley reviewed historical data with regard to the trading prices of Anthem common stock over the 52-week period ending on June 12, 2015, which was the last trading day prior to public rumors of the mergers. During such 52-week period, the trading price of Anthem common stock ranged from \$106.00 to \$168.00, rounded to the nearest \$1.00 per share.

Morgan Stanley compared this range to the closing trading price of Anthem common stock on July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$155.10 and the closing trading price of Anthem common stock on May 28, 2015 of \$164.22, which was the price of Anthem common stock used to determine the exchange ratio in the mergers.

***Equity Research Analysts Price Targets***

Morgan Stanley reviewed sell-side analyst price targets per share of Anthem common stock prepared and published by 15 equity research analysts during the time period from April 29, 2015 to July 13, 2015. These targets generally reflect each analyst's estimate of the 12-month future public market trading price per share of Anthem common stock and were not discounted to reflect present values. The range of undiscounted price targets for Anthem common stock was \$150.00 per share to \$190.00 per share. Morgan Stanley also noted that the median of the undiscounted price targets for Anthem common stock was \$168.00.

In order to better compare the price targets with the merger consideration, Morgan Stanley discounted such price targets to present value by applying, for a one-year discount period, an illustrative discount rate of 7.7%, which was selected by Morgan Stanley based on Anthem's assumed cost of equity using a capital asset pricing model, which is a financial valuation method that takes into account both returns in equity markets generally and volatility in a company's common stock. This analysis indicated an implied range of equity values for Anthem common stock of \$139.00 per share to \$176.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared these ranges to the closing trading price of Anthem common stock on July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$155.10 and the closing trading price of Anthem common stock on May 28, 2015 of \$164.22, which was the price of Anthem common stock used to determine the exchange ratio in the mergers.

The price targets published by equity research analysts do not necessarily reflect current market trading prices for shares of Anthem common stock and these estimates are subject to uncertainties, including the future financial performance of Anthem and future financial market conditions.

***Comparable Public Company Analysis***

Morgan Stanley performed a comparable public company analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and compared certain financial information of Anthem with corresponding financial data for other companies that shared certain similar characteristics to Anthem to derive an implied valuation range for Anthem. The companies used in this comparison included the following:

Cigna

Aetna

Humana

UNH

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The above companies were chosen based on Morgan Stanley's knowledge of the industry and because they have businesses that may be considered similar to Anthem's. Although none of such companies are identical or directly comparable to Anthem, these companies are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of its analysis Morgan Stanley considered similar to Anthem.

For purposes of this analysis, Morgan Stanley analyzed the following statistics of each of these companies, based on public filings, publicly available research estimates and publicly available financial information published by Thomson Reuters and Capital IQ:

the CY2015E P/E Ratio; and

the CY2016E P/E Ratio.

The table below shows the results of Morgan Stanley's analyses:

	<b>CY2015E P/E Ratio</b>	<b>CY2016E P/E Ratio</b>
Cigna	16.5x	15.1x
Aetna	16.4x	14.5x
Humana	19.9x	18.0x
UNH	18.8x	16.0x <sup>(1)</sup>

(1) Pro forma taking into account UNH's announced acquisition of Catamaran Corp. Based on its analysis of the relevant metrics for each of the comparable companies and upon the application of its professional judgment, Morgan Stanley selected representative ranges of CY2015E P/E Ratio and CY2016E P/E Ratio multiples and applied these ranges of multiples to Anthem's estimated calendar year 2015 earnings per share and Anthem's estimated calendar year 2016 earnings per share, respectively. For purposes of this analysis, Morgan Stanley utilized estimates prepared by Anthem's management, referred to as the Anthem management case, which is more fully described in the section entitled *Anthem Unaudited Prospective Financial Information* beginning on page 157 of this joint proxy statement/prospectus.

Morgan Stanley then calculated a range of implied equity values per share of Anthem common stock as follows, in each case rounded to the nearest \$1.00 per share:

	<b>Selected Representative Multiple Range</b>	<b>Implied Equity Value Per Share of Anthem Common Stock</b>
CY2015E P/E Ratio	15.5x 17.5x	\$ 149.00 \$169.00
CY2016E P/E Ratio	14.0x 16.0x	\$ 152.00 \$173.00

Morgan Stanley compared the foregoing ranges of implied equity value per share of Anthem common stock to the closing trading price of Anthem common stock on July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$155.10 and the closing trading price of Anthem common stock on May 28, 2015 of \$164.22, which was the price of Anthem common stock used to determine the exchange ratio in the mergers.

No company included in the comparable public company analysis is identical to Anthem. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Anthem. These include, among other things, the impact of competition on the business of Anthem and the industry generally, industry growth, and the absence of any adverse material change in the financial condition



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and prospects of Anthem and the industry, and in the financial markets in general. Mathematical analysis (such as determining the mean or median) is not in itself a meaningful method of using comparable company data.

*Discounted Equity Value Analysis*

Morgan Stanley performed a discounted equity value analysis, which is designed to provide insight into the estimated future implied value of a company's common equity as a function of such company's estimated future earnings per share and a potential range of earnings multiples. As part of this analysis, Morgan Stanley calculated a future value range of implied equity values per share of Anthem common stock as of December 31, 2016 and subsequently discounted such future value range to arrive at a present value range of implied equity values per share of Anthem common stock as of June 30, 2015. To calculate the future value range, Morgan Stanley used Anthem's estimated calendar year 2017 earnings per share based on the Anthem management case and applied a range of stock price to estimated calendar year 2017 earnings per share multiples of 13.0x to 17.0x, derived by Morgan Stanley using its experience and professional judgment. To calculate the present value range, Morgan Stanley applied a discount rate of 6.1%, which discount rate was selected by Morgan Stanley based on Anthem's assumed cost of equity of 7.7% less Anthem's current dividend yield of 1.6%.

This analysis indicated an implied range of equity values for Anthem common stock of \$141.00 per share to \$184.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared the foregoing range of implied equity values per share of Anthem common stock to the closing trading price of Anthem common stock on July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$155.10 and the closing trading price of Anthem common stock on May 28, 2015 of \$164.22, which was the price of Anthem common stock used to determine the exchange ratio in the mergers.

*Discounted Cash Flow Analysis*

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of such company. Morgan Stanley calculated a range of implied equity values per share for Anthem as of June 30, 2015, based on estimates of future unlevered free cash flow for calendar years 2015 through 2020. Morgan Stanley utilized estimates from the Anthem management case (including net debt of Anthem as of June 30, 2015 of \$14.4 billion), as adjusted by the management of Cigna. For purposes of its discounted cash flow analysis, Morgan Stanley defined unlevered free cash flow as earnings before interest, taxes and amortization (assuming amortization is not deductible for purposes of calculating cash taxes) (1) less taxes, (2) plus depreciation, (3) less increases in working capital, (4) plus other cash flow items, (5) less capital expenditures and (6) less net cash flow to subsidiaries. Morgan Stanley then calculated a range of terminal values for Anthem by applying a terminal perpetual growth rate range of 2.0% to 3.0%. Morgan Stanley selected the terminal perpetual growth rate range based on the application of its experience and professional judgment. The unlevered free cash flows and the terminal values were then discounted to June 30, 2015 by applying a discount rate of 6.2%, which was selected based on Morgan Stanley's professional judgment and taking into consideration, among other things, a weighted average cost of capital calculation and Anthem's assumed cost of equity calculated using a capital asset pricing model.

This analysis indicated a range of implied equity values per share of Anthem common stock of \$190.00 per share to \$253.00 per share, in each case rounded to the nearest \$1.00 per share.

Morgan Stanley compared the foregoing range of implied equity value per share of Anthem common stock to the closing trading price of Anthem common stock on July 22, 2015, which was the last trading day prior to the date on which the Cigna board of directors approved the mergers, of \$155.10 and the closing trading price of Anthem common stock on May 28, 2015 of \$164.22, which was the price of Anthem common stock used to determine the exchange ratio in the mergers.

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**Table of Contents*****Other Considerations***

In connection with the review of the mergers by the Cigna board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of Cigna or Anthem.

In performing its analyses, Morgan Stanley made numerous assumptions with regard to industry performance, general business, regulatory, economic, market and financial conditions and other matters, which are beyond the control of Cigna and Anthem. These include, among other things, the impact of competition on the businesses of Cigna and Anthem and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Cigna, Anthem and the industry, and in the financial markets in general. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the consideration to be received by the holders of shares of Cigna common stock (other than (1) shares that are held directly by Cigna as treasury stock, (2) shares held by Anthem or a subsidiary of Cigna or Anthem (including Merger Sub), (3) shares as to which appraisal has been properly demanded under applicable law or (4) shares subject to restricted stock awards of Cigna) pursuant to the merger agreement, and in connection with the delivery of its opinion to the Cigna board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of Cigna common stock might actually trade.

The consideration to be received by the holders of shares of Cigna common stock was determined through arm's-length negotiations between Cigna and Anthem and was approved by the Cigna board of directors. Morgan Stanley acted as financial advisor to the Cigna board of directors during these negotiations but did not, however, recommend any specific merger consideration to Cigna, nor opine that any specific merger consideration constituted the only appropriate merger consideration for the mergers. In addition, Morgan Stanley's opinion does not address the prices at which the Anthem common stock will trade following completion of the mergers or at any time and Morgan Stanley expresses no opinion or recommendation as to how Cigna's shareholders should vote at any shareholders meeting to be held in connection with the mergers.

Morgan Stanley's opinion and its presentation to the Cigna board of directors was one of many factors taken into consideration by the Cigna board of directors in deciding to approve the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the recommendation of the Cigna board of directors with respect to the merger consideration or of whether the Cigna board of directors would have been willing to agree to a different merger consideration. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

Morgan Stanley is acting as financial advisor to the Cigna board of directors in connection with the mergers and, under the terms of its engagement letter, has received approximately \$16 million upon execution of the merger agreement and a \$5 million advisory fee, for serving in this capacity. In addition, Morgan Stanley will be entitled to

receive approximately \$60 million upon the completion of the mergers for serving in this capacity. Cigna has also agreed to reimburse Morgan Stanley for certain of its expenses incurred in performing its services, including fees and expenses of outside counsel to Morgan Stanley. In addition, Cigna has agreed to indemnify

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Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement. In the two years prior to the date of its opinion, Morgan Stanley had provided financing services for Anthem and had received fees of approximately \$2.3 million in connection with such services. In addition, Morgan Stanley or an affiliate thereof is a lender to Cigna and Anthem. Morgan Stanley may also seek to provide financial advisory or financing services to Anthem and Cigna in the future and would expect to receive fees for the rendering of these services.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Anthem, Cigna, or any other company, or any currency or commodity, that may be involved in the mergers, or any related derivative instrument.

**Anthem Unaudited Prospective Financial Information**

Although Anthem periodically may issue limited public guidance concerning its expected financial performance, Anthem does not, as a matter of course, publicly disclose detailed financial forecasts. However, in connection with the negotiation of the merger, Anthem's management prepared certain non-public unaudited financial forecasts, which were furnished to the Anthem board of directors, UBS, Credit Suisse and Cigna. A summary of the unaudited financial forecasts is included below to provide Anthem shareholders access to certain non-public unaudited financial forecasts that were furnished to the Anthem board of directors, UBS, Credit Suisse and Cigna and considered by UBS and Credit Suisse in connection with their respective financial analyses.

The unaudited financial forecasts were not prepared for the purpose of public disclosure, nor were they prepared in compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or GAAP. The summary of the unaudited financial forecasts is not being included in this joint proxy statement/prospectus to influence Anthem shareholders with respect to the approval of the share issuance or Cigna shareholders with respect to the adoption of the merger agreement, but because the unaudited financial forecasts were furnished to the Anthem board of directors, UBS, Credit Suisse and Cigna. The inclusion of the unaudited financial forecasts in this proxy statement/prospectus should not be regarded as an indication that Anthem or any other recipient of the unaudited financial forecasts considered, or now considers, the forecasts to be material or necessarily predictive of actual future results, and the unaudited financial forecasts should not be relied upon as such.

All of the unaudited financial forecasts summarized below were prepared by, and are the responsibility of, Anthem's management. No independent registered public accounting firm has examined, compiled or otherwise performed any procedures with respect to the prospective financial information contained in the unaudited financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto, and no independent registered public accounting firm assumes any responsibility for the prospective financial information. The reports of the independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to Anthem's and Cigna's historical financial information. These reports do not extend to the unaudited financial forecasts and should not be read to do so.

Because the unaudited financial forecasts were developed for Anthem on a stand-alone basis without giving effect to the merger, the unaudited financial forecasts do not give effect to the merger or any changes to

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Anthem's operations or strategy that may be implemented after the completion of the merger, including any potential synergies realized as a result of the merger, or to any costs related to, or that may arise in connection with, the merger.

While presented with numeric specificity, the unaudited financial forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Anthem's management. In the view of Anthem's management, the unaudited financial forecasts were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Anthem's management. Important factors that may affect actual results and cause the unaudited financial forecasts to not be realized include, but are not limited to, the risks, contingencies and other uncertainties more fully described in the sections entitled *Cautionary Information Regarding Forward-Looking Statements* and *Risk Factors* beginning on pages 64 and 67, respectively, of this joint proxy statement/prospectus. As a result, actual results may differ materially from the unaudited financial forecasts, and there can be no assurance that the forecasts will be realized. Since the forecasts cover multiple years, this information by its nature becomes less meaningful and predictive with each successive year. Anthem has not made and does not make any representation to any shareholder or other person regarding Anthem's ultimate performance compared to the information contained in the unaudited financial forecasts. Inclusion of a summary of these internal financial forecasts in this joint proxy statement/prospectus should not be regarded as an indication that Anthem, Cigna or their respective affiliates, advisors or representatives considered these internal financial forecasts to be predictive of actual future results, and these internal financial forecasts should not be relied upon as such nor should the information contained in these internal financial forecasts be considered appropriate for other purposes. Except as may be required under applicable federal securities law, Anthem does not undertake any obligation to update or otherwise revise the unaudited financial forecasts to reflect events or circumstances after the date the forecasts were made, including events or circumstances that may have occurred during the period between that date and the date of this joint proxy statement/prospectus, or to reflect the occurrence of unanticipated events, even in the event that any or all of the assumptions are shown to be in error.

Anthem uses certain non-GAAP measurements to set performance goals and to measure the performance of the company, and believes that investors' understanding of the underlying performance of Anthem's continuing operations is enhanced through the disclosure of these metrics. Non-GAAP measurements are not, and should not be viewed as, substitutes for GAAP measurements.

The following table presents certain information included in Anthem's unaudited financial forecasts:

	2015E	2016E	2017E	2018E	2019E	2020E
	<i>(in millions; E refers to estimated)</i>					
Operating revenues <sup>(1)</sup>	\$ 77,739	\$ 85,269	\$ 93,703	\$ 100,936	\$ 108,736	\$ 117,153
Operating gain <sup>(2)</sup>	\$ 4,910	\$ 5,278	\$ 5,694	\$ 6,333	\$ 6,708	\$ 7,115
Adjusted net income <sup>(3)</sup>	\$ 2,746	\$ 2,989	\$ 3,168	\$ 3,591	\$ 3,847	\$ 4,122

The measures presented above were not determined in accordance with GAAP and should not be considered substitutes for or superior to the following GAAP measures: total revenues, income from continuing operations before income tax expense and net income.

(1) Operating revenue includes premium income, administrative fees and other revenues.

(2) Operating gain is calculated as operating revenue less benefit expense and selling, general and administrative expense.

- (3) Adjusted net income represents net income excluding the following after-tax adjustments: net realized gains on investments, other-than-temporary impairment losses on investments, loss on extinguishment of debt and amortization of other intangible assets. This non-GAAP measure is intended to aid investors and analysts when comparing our financial results among periods. Management also uses this measure as a basis for evaluating performance, allocating resources, forecasting future operating periods and setting incentive compensation.



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**Table of Contents****Cigna Unaudited Prospective Financial Information**

Although Cigna periodically may issue limited public guidance concerning its expected financial performance, Cigna does not, as a matter of course, publicly disclose detailed financial forecasts. However, in connection with the negotiation of the merger, Cigna's management prepared certain non-public unaudited financial forecasts, which were furnished to the Cigna board of directors, Morgan Stanley and Anthem. A summary of the unaudited financial forecasts is included below to provide Cigna shareholders access to certain non-public unaudited financial forecasts that were furnished to the Cigna board of directors, Morgan Stanley and Anthem and considered by Morgan Stanley in connection with their financial analyses.

The unaudited financial forecasts were not prepared for the purpose of public disclosure, nor were they prepared in compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or GAAP. The summary of the unaudited financial forecasts is not being included in this joint proxy statement/prospectus to influence Anthem shareholders with respect to the approval of the share issuance or Cigna shareholders with respect to the adoption of the merger agreement, but because the unaudited financial forecasts were furnished to the Cigna board of directors, Morgan Stanley and Anthem. The inclusion of the unaudited financial forecasts in this proxy statement/prospectus should not be regarded as an indication that Cigna or any other recipient of the unaudited financial forecasts considered, or now considers, the forecasts to be material or necessarily predictive of actual future results, and the unaudited financial forecasts should not be relied upon as such.

All of the unaudited financial forecasts summarized below were prepared by, and are the responsibility of, Cigna's management. No independent registered public accounting firm has examined, compiled or otherwise performed any procedures with respect to the prospective financial information contained in the unaudited financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto, and no independent registered public accounting firm assumes any responsibility for the prospective financial information. The reports of the independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to Cigna's and Anthem's historical financial information. These reports do not extend to the unaudited financial forecasts and should not be read to do so.

Because the unaudited financial forecasts were developed for Cigna on a stand-alone basis without giving effect to the merger, the unaudited financial forecasts do not give effect to the merger or any changes to Cigna's operations or strategy that may be implemented after the completion of the merger, including any potential synergies realized as a result of the merger, or to any costs related to, or that may arise in connection with, the merger.

While presented with numeric specificity, the unaudited financial forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Cigna's management. In the view of Cigna's management, the unaudited financial forecasts were prepared on a reasonable basis and reflected the best then-currently available estimates and judgments of Cigna's management. Important factors that may affect actual results and cause the unaudited financial forecasts to not be realized include, but are not limited to, the risks, contingencies and other uncertainties more fully described in the sections entitled *Cautionary Information Regarding Forward-Looking Statements* and *Risk Factors* beginning on pages 64 and 67, respectively, of this joint proxy statement/prospectus. As a result, actual results may differ materially from the unaudited financial forecasts, and there can be no assurance that the forecasts will be realized. Since the forecasts cover multiple years, this information by its nature becomes less meaningful and predictive with each successive year. Cigna has not made and does not make any representation to any shareholder or other person regarding Cigna's ultimate performance compared to the information contained in the unaudited financial forecasts. Inclusion of a summary of these internal financial forecasts in this joint proxy statement/prospectus should not be regarded as an indication that Anthem, Cigna or their respective affiliates,

advisors or

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representatives considered these internal financial forecasts to be predictive of actual future results, and these internal financial forecasts should not be relied upon as such nor should the information contained in these internal financial forecasts be considered appropriate for other purposes. Except as may be required under applicable federal securities law, Cigna does not undertake any obligation to update or otherwise revise the unaudited financial forecasts to reflect events or circumstances after the date the forecasts were made, including events or circumstances that may have occurred during the period between that date and the date of this joint proxy statement/prospectus, or to reflect the occurrence of unanticipated events, even in the event that any or all of the assumptions are shown to be in error.

Cigna uses certain non-GAAP measurements to set performance goals and to measure the performance of the company, and believes that investors' understanding of the underlying performance of Cigna's continuing operations is enhanced through the disclosure of these metrics. Non-GAAP measurements are not, and should not be viewed as, substitutes for GAAP measurements.

The following table presents certain information included in Cigna's unaudited financial forecasts:

	2015E	2016E	2017E	2018E	2019E	2020E
	<i>(in millions, except per share data; E refers to estimated)</i>					
Operating revenues <sup>(1)</sup>	\$ 37,955	\$ 40,876	\$ 45,022	\$ 50,343	\$ 56,116	\$ 62,485
Adjusted income (loss) from operations <sup>(2)</sup>	\$ 2,208	\$ 2,417	\$ 2,698	\$ 2,986	\$ 3,296	\$ 3,671
EBIT <sup>(3)</sup>	\$ 3,631	\$ 3,993	\$ 4,510	\$ 5,011	\$ 5,540	\$ 6,156
Adjusted income (loss) from operations, per share <sup>(4)</sup>	\$ 8.61	\$ 9.66	\$ 11.03	\$ 12.46	\$ 14.03	\$ 15.95
Adjusted income (loss) from operations including amortization of other acquired intangible assets, per share <sup>(5)</sup>	\$ 8.22	\$ 9.30	\$ 10.74	\$ 12.21	\$ 13.80	\$ 15.71
Unlevered free cash flow <sup>(6)</sup>	\$ 1,680	\$ 1,851	\$ 1,912	\$ 1,995	\$ 2,216	\$ 2,491

The measures presented above were not determined in accordance with GAAP and should not be considered substitutes for or superior to the following GAAP measures: consolidated revenues, shareholders' net income, and cash flows from operating activities.

- (1) Operating revenues represent consolidated revenues excluding net realized investment results.
- (2) Adjusted income (loss) from operations represents shareholders' net income (loss) excluding the following after-tax adjustments: net realized investment results, amortization of other acquired intangible assets and special items. Aggregate pre-tax amortization of other acquired intangible assets expense was estimated to be \$162 million, \$144 million, \$114 million, \$98 million, \$88 million and \$88 million for 2015, 2016, 2017, 2018, 2019 and 2020, respectively.

Adjusted income (loss) from operations is a measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income.

- (3) EBIT represents adjusted income (loss) from operations before interest expense and income taxes, and includes amortization of other acquired intangible assets.

- (4) Adjusted income (loss) from operations per share is calculated as adjusted income (loss) from operations divided by the projected diluted weighted average Cigna common shares outstanding.
- (5) Adjusted income (loss) from operations including amortization of other acquired intangible assets per share is calculated as adjusted income (loss) from operations including amortization of other acquired intangible assets divided by the projected diluted weighted average Cigna common shares outstanding.
- (6) Unlevered free cash flow represents EBIT plus depreciation and amortization expense and the tax benefit for the deductible portion of amortization, minus income taxes, increases in working capital, pension contributions, capital expenditures and net cash flow retained at subsidiaries to satisfy risk-based capital requirements. For 2015, 2016, 2017, 2018, 2019 and 2020 depreciation and capital expenditures were each

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estimated to be an average of \$400 million annually and pension contribution was estimated to be an average of \$50 million annually. Net cash flow retained at subsidiaries to satisfy risk-based capital requirements was estimated to be \$632 million, \$668 million, \$891 million, \$1,102 million, \$1,208 million and \$1,324 million for 2015, 2016, 2017, 2018, 2019 and 2020, respectively.

**Financing of the Merger***Overview*

In connection with the merger, on July 23, 2015, Anthem entered into the initial commitment letter with the initial bridge lenders pursuant to which the initial bridge lenders committed to provide the bridge facility in an aggregate principal amount of up to \$26.5 billion. A copy of the initial commitment letter is filed as an exhibit to the Current Report on Form 8-K filed by Anthem on July 27, 2015, which is incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* beginning on page 241 of this joint proxy statement/prospectus. You are urged to read the initial commitment letter carefully. On August 25, 2015, Anthem entered into the term loan agreement with the term lenders pursuant to which the term lenders have committed to provide the term loan facility in an aggregate principal amount of up to \$4.0 billion. Pursuant to the terms of the initial commitment letter, the commitments under the term loan facility automatically correspondingly reduced the commitments of the initial bridge lenders under the initial commitment letter. Additionally, on August 25, 2015, Anthem and the initial bridge lenders entered into a joinder agreement to the initial commitment letter with the other bridge lenders pursuant to which the bridge lenders have committed to provide the remaining bridge facility in an aggregate principal amount of up to \$22.5 billion.

**Bridge Facility***Overview*

Pursuant to the terms of the commitment letter, the proceeds of the bridge facility will be available upon the satisfaction of certain conditions precedent and, if drawn, will be used to finance a portion of the cash consideration for the merger and to pay fees and expenses incurred in connection with the merger. The bridge loan will mature on the 364th day after completion of the mergers.

*Conditions Precedent*

The commitments of the bridge lenders to provide the bridge facility are subject to several conditions, including the completion of the mergers, non-occurrence of a material adverse effect (as defined in the commitment letter) on Cigna, the negotiation, execution and delivery of the credit documentation with respect to the bridge facility, the accuracy of certain representations by Anthem, the accuracy of certain representations made by Cigna in the merger agreement, delivery of certain financial statements of Anthem and Cigna, delivery of certain pro forma financial information of Anthem and other conditions more fully set forth in the commitment letter.

*Interest*

At the option of Anthem, borrowings under the bridge facility will bear interest at either a base rate or at the London Interbank Offered Rate, referred to as LIBOR in this joint proxy statement/prospectus, plus, in each case, an applicable margin. The applicable margin will range from 0.00-0.375% with respect to the base rate, and 1.00-1.375% with respect to LIBOR, based on Anthem's public debt rating (as such term is defined in the commitment letter), and subject to increase, beginning 90 days after the completion of the mergers, based on how long the bridge facility is outstanding.



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*Base Rate Option*

Interest will be at the base rate plus an applicable margin based on Anthem's public debt rating, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days and payable quarterly in arrears. The base rate will be defined in a manner customary for financings of this type, but in any event will not be less than 0%.

*LIBOR Option*

Interest will be determined based on interest periods to be selected by Anthem of one, two, three or six months (and, if agreed to by all relevant bridge lenders, 12 months) and will be at an annual rate equal to LIBOR for the corresponding deposits of U.S. dollars, plus the applicable margin based on Anthem's public debt rating. LIBOR will be defined in a manner customary for financings of this type, but in any event will not be less than 0%. Interest will be paid at the end of each interest period but no less frequently than quarterly and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

*Covenants and Events of Default*

Pursuant to the terms of the commitment letter, the bridge facility will contain covenants relating to the following subjects (subject to exceptions, baskets and materiality qualifiers, if applicable):

existence, business and properties;

compliance with laws;

insurance;

obligations and taxes;

financial statements, reports, etc.;

litigation and other notices;

maintaining records, access to properties and inspections;

use of proceeds;

use of proceeds in violation of laws against sanctioned persons and the Foreign Corrupt Practices Act;

restrictions on liens;

restrictions on mergers, consolidation and sale of all or substantially all assets;

restrictions on changes in corporate structure; and

compliance with the Employee Retirement Income Security Act of 1974, as amended.

In addition, the bridge facility will include a maximum debt-to-total-capitalization ratio as of the last day of each fiscal quarter as more fully set forth in the commitment letter.

The bridge facility will also contain certain events of default, limited to inaccuracy of representations in any material respects; nonpayment of principal, interest, fees or other amounts when due; failure to perform or observe covenants set forth in the credit documentation in respect of the bridge facility; cross defaults to other material indebtedness; bankruptcy and insolvency defaults; material monetary judgments; and change of control.

### ***Term Loan Facility***

#### *Overview*

Pursuant to the terms of the term loan agreement, the proceeds of the term loan facility will be available upon the satisfaction of certain conditions precedent and, if drawn, will be used to finance a portion of the cash consideration for the merger and to pay fees and expenses incurred in connection with the merger. The term loan



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facility is comprised of: (1) a tranche of senior unsecured term loans that will mature on the three year anniversary of the effective date (as defined in the term loan agreement) in an aggregate principal amount of up to \$2.0 billion, referred to as the three year tranche in this joint proxy statement/prospectus and (2) a tranche of senior unsecured term loans that will mature on the five year anniversary of the effective date in an aggregate principal amount of up to \$2.0 billion, referred to as the five year tranche in this joint proxy statement/prospectus.

### *Conditions Precedent*

The commitments of the term lenders to provide the term loan facility are subject to several conditions, including the completion of the mergers, non-occurrence of a target material adverse effect (as defined in the term loan agreement) on Cigna, the accuracy of certain representations by Anthem, the accuracy of certain representations made by Cigna in the merger agreement, delivery of certain financial statements of Anthem and Cigna, delivery of certain pro forma financial information of Anthem and other conditions more fully set forth in the term loan agreement.

### *Scheduled Amortization*

Loans under the three year tranche will not be subject to quarterly amortization and will be payable in full on the maturity date of the three year tranche. Loans under the five year tranche will be subject to quarterly amortization of principal equal to 2.5% of the original aggregate principal amount thereof, with the balance payable on the maturity date of the five year tranche.

### *Interest*

At the option of Anthem, borrowings under the term loan facility will bear interest at either a base rate or at LIBOR plus, in each case, an applicable margin. The applicable margin (1) with respect to the three year tranche will range from 0.00-0.25% with respect to the base rate, and 0.75-1.25% with respect to LIBOR and (2) with respect to the five year tranche will range from 0.00-0.375% with respect to the base rate, and 0.875-1.375% with respect to LIBOR, in each case based on Anthem's public debt rating (as such term is defined in the term loan agreement).

### *Base Rate Option*

Interest will be at the base rate plus an applicable margin based on Anthem's public debt rating, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days and payable quarterly in arrears. The base rate will be, for any day, a fluctuating rate per annum equal to the highest of (1) the federal funds rate (as defined in the term loan agreement) plus 1/2 of 1%, (2) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its prime rate and (3) LIBOR plus 1.0%.

### *LIBOR Option*

Interest will be determined based on interest periods to be selected by Anthem of one, two, three or six months (and, if agreed to by all relevant term lenders, 12 months) and will be at an annual rate equal to LIBOR for the corresponding deposits of U.S. dollars, plus the applicable margin based on Anthem's public debt rating. Interest will be paid at the end of each interest period but no less frequently than quarterly and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

### *Covenants and Events of Default*

Pursuant to the terms of the term loan agreement, the term loan facility contains covenants and events of default relating to (and limited to) subjects corresponding to those set forth under the section entitled *Bridge*

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*Facility Covenants and Events of Default*, beginning on page 162 of this joint proxy statement/prospectus, in each case subject to exceptions, baskets and materiality qualifiers, if applicable.

**Interests of Certain Cigna Directors and Executive Officers in the Merger*****Overview***

Certain Cigna directors and executive officers have interests in the merger that are different from, or in addition to, those of Cigna shareholders generally. In considering the recommendations of the Cigna board of directors, including that you vote to approve the proposal to adopt the merger agreement, you should be aware of these interests. In reaching its decision to make such recommendations and approve the merger, the Cigna board of directors was aware of these interests and considered them, among other things, described in the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Cigna's Reasons for the Merger; Recommendation of the Cigna Board of Directors* on page 121 of this joint proxy statement/prospectus. As described in more detail below, these interests include:

each Cigna stock option that is unvested as of immediately prior to the effective time of the merger will be converted at the effective time of the merger into an option to purchase, on the same terms and conditions (including applicable vesting requirements), a number of shares of Anthem common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such unvested Cigna stock option by the equity award exchange ratio, with a per-share exercise price (rounded up to the nearest whole cent) determined by dividing the per-share exercise price of the Cigna stock option by the equity award exchange ratio;

each Cigna stock option that is vested as of immediately prior to the effective time of the merger will be cancelled at the effective time of the merger in exchange for a cash payment and a number of vested shares of Anthem common stock with an aggregate value equal to the excess, if any, of the value of the per-share merger consideration over the Cigna stock option's per share exercise price. The portions of the foregoing amount that are payable in cash and vested shares of Anthem common stock, respectively, will equal the portions of the per-share merger consideration that are payable in cash and vested shares of Anthem common stock to Cigna shareholders generally;

each Cigna restricted stock award will be converted at the effective time, on the same terms and conditions (including applicable vesting requirements), into a restricted stock award with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna restricted stock award by the equity award exchange ratio. None of the Cigna directors or executive officers will be designated as career band 4 employees for this purpose;

each Cigna restricted stock unit award and strategic performance share award will be converted at the effective time of the merger into a service-based restricted stock unit award, on the same terms and conditions (including applicable vesting schedule, but without continuing performance-based vesting conditions), with respect to a number of shares of Anthem common stock (rounded up to the nearest whole

share) determined by multiplying the number of shares of Cigna common stock subject to each Cigna restricted stock unit award or strategic performance share award by the equity award exchange ratio. For purposes of determining the number of shares of Cigna common stock subject to each Cigna strategic performance share award, the applicable performance goals will be deemed achieved at the greatest of target level, the level achieved for the most recently concluded strategic performance share award cycle ending prior to the effective time of the merger and the average of the levels achieved for the two most recently concluded strategic performance share award cycles ending prior to the effective time of the merger;

each Cigna deferred stock unit or similar award granted or deferred under any Cigna stock plan will be converted at the effective time of the merger into a deferred stock unit award, on the same terms and conditions, with respect to a number of shares of Anthem common stock (rounded up to the nearest

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whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna deferred stock unit by the equity award exchange ratio;

accelerated vesting of any converted Anthem stock options, restricted stock awards and restricted stock units described in this section upon certain types of terminations of employment at or within two years following the effective time of the merger; and

eligibility to receive certain payments and benefits under the Cigna Executive Severance Benefits Plan upon certain types of terminations of employment at or within two years following the effective time of the merger.

Cigna directors and executive officers also have the right to indemnification and insurance coverage that will survive the completion of the merger. Please see the section below entitled *Indemnification and Insurance* beginning on page 167 and the section of this joint proxy statement/prospectus entitled *The Merger Agreement Indemnification and Insurance* beginning on page 201.

***Payments to Directors and Executive Officers in Respect of Cigna Equity Awards***

Upon completion of the merger, each Cigna restricted stock award, restricted stock unit award, strategic performance share award, deferred stock unit award and unvested stock option will be converted into an applicable restricted stock award, service-based restricted stock unit award, deferred stock unit or unvested stock option with respect to shares of Anthem common stock, and each vested stock option will be cancelled in exchange for a cash payment and a number of vested shares of Anthem common stock. For a more detailed description of the treatment of Cigna equity awards, please see the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Treatment of Cigna Equity Awards* beginning on page 176 of this joint proxy statement/prospectus. All such converted Anthem equity awards will vest and become exercisable in the event of a qualifying termination within the two-year period following the effective time. For these purposes, a qualifying termination means a termination of employment by Anthem without cause or by the executive officer after determining in the executive officer's reasonable judgment that there has been a material reduction in the executive officer's authority, duties or responsibilities, any reduction in the executive officer's compensation, or any change caused by Anthem in the executive officer's office location of more than 35 miles from its location on the effective date of the merger. In the event that Cigna executive officers who are not named executive officers experience a qualifying termination immediately following October 19, 2015 (which is the assumed date of the closing of the merger solely for purposes of this transaction-related compensation disclosure), the aggregate value of the converted Anthem equity awards held by such executive officers that would vest and become exercisable (based on the assumptions described in the section entitled *Quantification of Payments and Benefits* beginning on page 167 of this joint proxy statement/prospectus) would be equal to \$39,830,297. For information on the estimated value of the converted Anthem equity awards that would be held by Cigna's named executive officers, see the section entitled *Quantification of Payments and Benefits* beginning on page 167 of this joint proxy statement/prospectus. Cigna non-employee directors do not hold any restricted stock awards, restricted stock units, strategic performance share awards or stock options.

***Executive Deferral Plans***

Cigna's directors and executive officers may voluntarily defer certain items of compensation, including cash and Cigna stock, pursuant to the Cigna Deferred Compensation Plan and Cigna Deferred Compensation Plan for Directors. The plans are intended to allow participants to take advantage of the potential tax benefits from deferring plan year

income.

All participants are fully vested in their account balances under the respective plans as of the date of this joint proxy statement/prospectus. Immediately following the effective time, each Cigna deferred stock unit or similar award deferred under the plans will be converted into a deferred stock unit award with respect to a

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number of shares of Anthem common stock as described in the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Treatment of Cigna Equity Awards* beginning on page 176 of this joint proxy statement/prospectus. Following the effective time, Cigna will distribute the participants' cash account balances upon a separation of service in accordance with the plan terms and the participants' deferral elections.

***Cigna Executive Severance Benefits Plan***

Any executive officer who has a qualifying termination at or within the two-year period following the effective time of the merger will be entitled to the following payments and benefits under the Cigna Executive Severance Benefits Plan:

a lump-sum payment equal to 300% of the executive officer's annual base salary;

a lump-sum payment equal to 300% multiplied by the greater of the executive officer's annual target incentive opportunity immediately prior to the effective date of the merger or the last actual incentive compensation payment under the applicable Cigna annual incentive plan;

reasonable outplacement services for a period of six months following the date of termination; and

continued basic life insurance coverage at Cigna's expense for a 12-month period starting on the first day of the month following the date of termination.

The Severance Plan is subject to a "best net" Section 280G modified cutback, whereby in the event that it is determined that any payment would constitute an "excess parachute payment" within the meaning of Section 280G(b) of the Code and, as a result, the net amount of such payment received by an executive officer would be less than the net amount he or she would have received without the additional payment or benefit, the amount of the payment will be reduced so that the executive officer receives the maximum amount of the payment possible without incurring any tax under Section 4999 of the Code. In the event that Cigna executive officers who are not named executive officers experience a qualifying termination immediately following October 19, 2015 (which is the assumed date of the closing of the merger solely for purposes of this transaction-related compensation disclosure) that results in payments and benefits under the Cigna Executive Severance Benefits Plan, the aggregate payments and benefits to be paid or provided under the Cigna Executive Severance Benefits Plan to such executive officers as a group (based on the compensation levels in effect on October 19, 2015) would be equal to \$12,434,628. For information on the estimated value of the payments and benefits for Cigna's named executive officers under the Cigna Executive Severance Benefits Plan, see the section entitled *Quantification of Payments and Benefits* beginning on page 167 of this joint proxy statement/prospectus.

***New Management Arrangements***

Mr. Cordani, Cigna's President and Chief Executive Officer, entered into an offer letter with Anthem on July 23, 2015. Pursuant to the offer letter, Mr. Cordani will become the President and Chief Operating Officer of Anthem upon the effective time of the merger. Mr. Cordani will be entitled to receive total target compensation (which includes base salary, short-term incentive awards and long-term incentive awards) that is equivalent to the total target compensation he currently receives from Cigna. Mr. Cordani's outstanding equity awards will be treated as described in the section

entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Treatment of Cigna Equity Awards* . Mr. Cordani will retain his existing severance protections under the Cigna Executive Severance Benefits Plan until two years following the effective time of the merger. For additional information, please see *The Merger Agreement Potential Change of Control Payments to Named Executive Officers* . Mr. Cordani will be eligible for additional merger-related performance incentive opportunities if such opportunities are provided to the Chief Executive of Anthem or the Anthem executive leadership team.



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To the best of our knowledge, other than (1) the offer letter between Mr. Cordani and Anthem described in this section and (2) the provisions of the merger agreement related to the leadership and the board of directors of the combined company that are described in the section entitled *The Merger Agreement Corporate Governance* beginning on page 184 of this joint proxy statement/prospectus, no employment or other agreement, arrangement or understanding between any Cigna director or executive officer, on the one hand, and Anthem, Anthem Merger Sub Corp. or Cigna, on the other hand, existed as of the date of this joint proxy statement/prospectus, and neither the merger nor any related transaction is conditioned upon any director or executive officer of Cigna entering into any such agreement, arrangement or understanding.

***Indemnification and Insurance***

Pursuant to the terms of the merger agreement, Cigna's directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies following the effective time of the merger. Such indemnification and insurance coverage is further described in the section entitled *The Merger Agreement Indemnification and Insurance* beginning on page 201 of this joint proxy statement/prospectus.

***Quantification of Payments and Benefits***

The table below entitled *Potential Change of Control Payments to Named Executive Officers*, along with its footnotes, shows the compensation that is based on or otherwise relates to the merger that is potentially payable to Cigna's named executive officers identified in the most recent proxy statement with respect to the 2015 annual meeting of Cigna's shareholders (*i.e.*, Cigna's principal executive officer, principal financial officer, and three other most highly compensated executive officers as determined for purposes of such annual proxy statement), as required by Item 402(t) of Regulation S-K. Accordingly, the named executive officers are (1) David M. Cordani, President and Chief Executive Officer, (2) Thomas A. McCarthy, Executive Vice President and Chief Financial Officer and (3) (a) Herbert A. Fritch, President, Cigna-HealthSpring, (b) Matthew G. Manders, President, U.S. Commercial Markets and Global Health Care Operations and (c) Jason D. Sadler, President of International Markets, who were each of Cigna's three other highest compensated executive officers serving at December 31, 2014.

These potential payments would be made pursuant to the Cigna Executive Severance Benefits Plan and the Cigna Long-Term Incentive Plan. The intent of these plans is to encourage executives to continue to act in shareholders' best interests in evaluating potential transactions and to ensure management's talent will be available to assist in the transaction and business integration. These plans do not provide for tax gross-ups in the event of a change in control. All converted Anthem stock options, restricted stock awards and restricted stock units will be subject to double-trigger vesting.

Please note that the amounts indicated below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described below, and do not reflect certain compensation actions that may occur before the completion of the merger and, as a result, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below. The amounts indicated below do not reflect any potential reduction as a result of the best-net Section 280G cutback included in the Cigna Executive Severance Benefits Plan; therefore, actual payments to the named executive officers may be less than the amounts indicated below. For purposes of calculating such amounts, we have assumed:

the effective time of the merger is October 19, 2015, which is the assumed date of the closing of the merger solely for purposes of this transaction-related compensation disclosure;

the relevant price per share of Anthem common stock is \$154.27, which is the average closing price per share as quoted on the NYSE over the first five business days following the first public announcement of the transaction;

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each named executive officer was terminated by Anthem without cause or resigned for good reason (as such terms are defined in the relevant plans and agreements), in each case, immediately following the effective time of the merger (each referred to as a qualifying termination);

quantification of outstanding equity awards is calculated based on the outstanding equity awards held by each named executive officer as of October 19, 2015, the latest practicable date before the filing of this joint proxy statement/prospectus;

all unvested equity awards held by each named executive officer as of October 19, 2015 remain unvested and unexercised as of the effective time; and

for purposes of the agreements and plans described below, the completion of the merger as contemplated by the merger agreement will constitute a change in control or change of control at the effective time of the merger.

For a narrative description of the terms and conditions applicable to the payments quantified in the table below, see the sections entitled *Payments to Directors and Executive Officers in Respect of Cigna Equity Awards*, *Cigna Executive Severance Benefits Plan* and *Executive Deferral Plans* above.

**Potential Change of Control Payments to Named Executive Officers**

Name	Cash <sup>(1)</sup>	Equity(\$) <sup>(2)</sup>	Perquisites/ Benefits <sup>(3)</sup>	Other <sup>(4)</sup>	Total
<b>Named Executive Officers</b>					
David M. Cordani	\$ 10,200,000	\$ 98,486,424	\$ 4,310	\$ 25,000	\$ 108,715,734
Thomas A. McCarthy	\$ 4,620,000	\$ 17,241,717	\$ 1,202	\$ 25,000	\$ 21,887,919
Herbert A. Fritch	\$ 6,000,000	\$ 32,642,417	\$ 2,037	\$ 25,000	\$ 38,669,454
Matthew G. Manders	\$ 4,950,000	\$ 18,650,373	\$ 1,584	\$ 25,000	\$ 23,626,957
Jason D. Sadler	\$ 3,409,539	\$ 9,944,895	\$ 1,522	\$ 25,000	\$ 13,380,956

- (1) *Cash*. The estimated amounts listed in this column represent the aggregate value of cash severance each named executive officer would be entitled to receive under the Cigna Executive Severance Benefits Plan in connection with a qualifying termination upon or within the two-year period following the effective time of the merger. Severance payments under the Cigna Executive Severance Benefits Plan are double-trigger in that they would be paid to a named executive officer only if such named executive officer experiences a qualifying termination upon or within the two-year period following the effective time of the merger. The estimated amounts shown in this column are based on the compensation levels in effect on October 19, 2015, the latest practicable date to determine such amounts before the filing of this joint proxy statement/prospectus; therefore, if compensation levels are changed after such date, actual payments to a named executive officer may be different than those listed in this column. The estimated amounts shown for Mr. Sadler have been converted to U.S. dollars using an exchange rate of \$1 Hong Kong dollar = \$0.12903 U.S. dollar, which is the average of the closing exchange rates for each trading day in the month of September 2015. For additional information, see the section entitled *Interests of Cigna Directors and Executive Officers in the Merger - Cigna Executive Severance Benefits Plan*.

- (2) *Equity*. The estimated amounts listed in this column represent the aggregate value in respect of each named executive officer's unvested Cigna restricted stock awards, restricted stock unit awards, strategic performance share awards and stock options held as of October 19, 2015, the latest practicable date before the filing of this joint proxy statement/prospectus, as set forth in more detail in the table below. Payments in respect of unvested equity awards are double-trigger benefits in that they would be paid to a named executive officer only if such named executive officer experiences a qualifying termination upon or within two years following the effective time of the merger. For additional information, see the section entitled *Anthem Proposal I: Approval of the Share Issuance and Cigna Proposal I: Adoption of the Merger Agreement Treatment of Cigna Equity Awards*.

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The estimated amounts listed in this column include the following components:

<b>Name</b>	<b>Aggregate Spread Value of Unvested Cigna Stock Options(\$)</b>	<b>Aggregate Value of Cigna Restricted Stock Awards and Restricted Stock Unit Awards (\$)</b>	<b>Aggregate Value of Cigna Strategic Performance Share Awards (\$)<sup>(a)</sup></b>	<b>Total (\$)</b>
<b>Named Executive Officers</b>				
David M. Cordani	\$ 34,474,277	\$ 0	\$ 64,012,147	\$ 98,486,424
Thomas A. McCarthy	\$ 5,630,849	\$ 0	\$ 11,610,868	\$ 17,241,717
Herbert A. Fritch	\$ 5,411,630	\$ 16,466,507	\$ 10,764,280	\$ 32,642,417
Matthew G. Manders	\$ 6,193,866	\$ 0	\$ 12,456,507	\$ 18,650,373
Jason D. Sadler	\$ 2,981,982	\$ 1,263,334	\$ 5,699,579	\$ 9,944,895

- (a) Assumes all applicable performance criteria are achieved at 170.5% of target, which is the average of the performance levels achieved for the two most recently concluded strategic performance award cycles ended prior to October 19, 2015.
- (3) *Perquisites/Benefits*. The estimated amounts listed in this column represent the continued basic life insurance coverage each named executive officer would be entitled to receive under the Cigna Executive Severance Benefits Plan in connection with a qualifying termination upon or within the two-year period following the effective time of the merger. Continued basic life insurance coverage benefits are double-trigger in that they would be paid to a named executive officer only if such named executive officer experiences a qualifying termination upon or within the two-year period following the effective time of the merger. The estimated amounts shown in this column are based on the benefit and perquisite levels in effect on October 19, 2015, the latest practicable date to determine such amounts before the filing of this joint proxy statement/prospectus; therefore, if benefit and perquisite levels are changed after such date, actual payments to a named executive officer may be different than those listed in this column. The estimated amounts shown for Mr. Sadler have been converted to U.S. dollars using an exchange rate of \$1 Hong Kong dollar = \$0.12903 U.S. dollar, which is the average of the closing exchange rates for each trading day in the month of September 2015. For additional information see *Interests of Cigna Directors and Executive Officers in the Merger Cigna Executive Severance Benefits Plan*.
- (4) *Other*. The amounts listed in this column represent the outplacement services each named executive officer would be entitled to receive under the Cigna Executive Severance Benefits Plan in connection with a qualifying termination upon or within the two-year period following the effective time of the merger. Outplacement service benefits are double-trigger in that they would be paid to a named executive officer only if such named executive officer experiences a qualifying termination upon or within the two-year period following the effective time of the merger. For additional information see *Interests of Cigna Directors and Executive Officers in the Merger Cigna Executive Severance Benefits Plan*.

**Board of Directors and Certain Officers of Anthem Following the Merger**

Pursuant to the merger agreement, as of the effective time of the merger, the Anthem board of directors will be increased so it consists of 14 members comprised of the nine current members of the Anthem board of directors and five current members of the Cigna board of directors designated by Cigna, one of which will be the current President and Chief Executive Officer of Cigna, David Cordani, and four of which must be independent under the rules of the NYSE and the SEC with respect to Anthem. If any of Anthem's designees or Cigna's designees is unable or unwilling to serve as a director at the effective time of the merger, the party which designated that individual will designate another individual reasonably acceptable to the governance committee of Anthem to serve in such individual's place; provided that each current member of the Cigna board of directors will be deemed to be acceptable to the governance committee. The Anthem designees and the Cigna designees will be split such that two of the three classes of Anthem directors will be comprised of three Anthem designees and two Cigna designees and the remaining class of Anthem directors will be comprised of three Anthem designees and one Cigna designee.

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As of the date of this joint proxy statement/prospectus, Cigna expects that the following five members of the Cigna board of directors will be designated to the Anthem board of directors as of the completion of the merger:

David Cordani

Isaiah Harris, Jr.

John M. Partridge

Eric C. Wiseman

William D. Zollars

As of the date of this joint proxy statement/prospectus, Anthem expects that each of the nine current members of the Anthem board of directors will continue to serve on the Anthem board of directors as of the completion of the merger. Joseph Swedish will be the chairman of the Anthem board of directors and any executive committee of the Anthem board of directors as of the effective time of the merger.

As of the effective time of the merger, Joseph Swedish will be the Chief Executive Officer of Anthem and David Cordani will be the President and Chief Operating Officer of Anthem.

Information about current directors and executive officers of Anthem, including biographical information, executive compensation and stock ownership, can be found in Anthem's Proxy Statement for the 2015 annual meeting of Anthem shareholders and in Anthem's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, both of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. Information about Cigna's expected designees to the Anthem board of directors, including biographical information, executive compensation and stock ownership, can be found in Cigna's Proxy Statement for the 2015 annual meeting of Cigna shareholders and in Cigna's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, both of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find Additional Information* beginning on page 241 of this joint proxy statement/prospectus.

**Regulatory Approvals Required for the Merger**

***General***

Anthem and Cigna have agreed to use their reasonable best efforts to take, or cause to be taken, all actions, to do, or cause to be done, all things reasonably necessary to satisfy the conditions to closing the merger as set forth in the merger agreement and to consummate the mergers and the other transactions contemplated by the merger agreement, which reasonable best efforts include Anthem and its affiliates and Cigna and its affiliates taking any and all action necessary to avoid each and every impediment under the HSR Act, any healthcare law, antitrust law, insurance law or other applicable law that may be asserted by or on behalf of any governmental entity with respect to the merger agreement, the mergers and the other transactions contemplated by the merger agreement or that arise under or relate to any contracts between either Cigna or Anthem and any governmental entity, so as to enable the closing of the

merger to occur as promptly as practicable, including taking any of the following actions requested by or on behalf of any governmental entity, or necessary or appropriate to (1) obtain all necessary consents; (2) resolve any objections that may be asserted by or on behalf of any governmental entity with respect to the mergers and any other transactions contemplated by the merger agreement; and (3) prevent the entry of, and vacate, lift, reverse or overturn, any order that would prevent, prohibit, restrict or delay the completion of the mergers and the other transactions contemplated by the merger agreement by:

complying with all restrictions and conditions, if any, imposed, compelled, required or requested by any governmental entity in connection with granting any necessary consent of any such governmental entity or in connection with the expiration or termination of any applicable waiting period under the HSR Act or any other antitrust laws or any clearance under any healthcare laws, insurance laws or other applicable laws including: (1) proposing, negotiating, committing to and effecting, by consent



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decree, hold separate order or otherwise, the sale, divestiture, disposition, license or other disposition of any subsidiaries, operations, divisions, businesses, product lines, contracts, customers or assets of Anthem or any of its affiliates (including Cigna or any of its subsidiaries), (2) taking or committing to take such other actions that may limit or impact Anthem's or any of its subsidiaries' or affiliates' (including Cigna's or any of its subsidiaries') freedom of action with respect to, or its ability to retain, any of Anthem's or any of its subsidiaries or affiliates (including Cigna's or any of its subsidiaries') operations, divisions, businesses, product lines, contracts, customers or assets and (3) entering into any orders, settlements, undertakings, contracts, consent decrees, stipulations or other agreements to effectuate any of the foregoing or in order to vacate, lift, reverse, overturn, settle or otherwise resolve any order that prevents, prohibits, restricts or delays the completion of the mergers and the other transactions contemplated by the merger agreement, in any case, that may be issued by any court or other governmental entity;

agreeing to (1) enter into, suspend, amend or terminate any contract or other business relationship of Anthem or any of its subsidiaries or affiliates or Cigna or any of its subsidiaries or affiliates (including any contract with any governmental entity) and (2) any additional obligations relating to any contract imposed by any governmental entity, in each case in connection with granting any necessary consent of any such governmental entity or in connection with the expiration or termination of any applicable waiting period under the HSR Act or any other antitrust laws or any clearance under any healthcare laws, insurance laws or other applicable laws; and

oppose fully and vigorously (1) any administrative or judicial action or proceeding that is initiated (or threatened to be initiated) challenging the merger agreement, the mergers or the other transactions contemplated by the merger agreement and (2) any request for, or the entry of, and seek to have vacated or terminated, any order that could restrain, prevent or delay the completion of the mergers and the other transactions contemplated by the merger agreement, including, in the case of either clause (1) or clause (2) by defending through litigation, any action asserted by any person in any court or before any governmental entity, and vigorously pursuing all available avenues of administrative and judicial appeal.

Notwithstanding the requirements above, nothing in the merger agreement requires Anthem to agree to any terms or conditions that would (1) impose any limitations on Anthem's ownership or operation of all or any portion of its or Cigna's, or any of their respective subsidiaries', businesses or assets, or compel Anthem or any of its subsidiaries to dispose of or hold separate all or any portion of its or Cigna's, or any of their respective subsidiaries', businesses or assets, (2) impose any limitations on the ability of Anthem to acquire or hold or to exercise full rights of ownership of Cigna common stock, (3) impose any obligations on Anthem or any of its subsidiaries or Cigna or any of its subsidiaries in respect of or relating to Anthem's or any of its subsidiaries' or Cigna's or any of its subsidiaries' facilities, operations, places of business, employment levels, products or businesses, (4) require Anthem or any of its subsidiaries or Cigna or any of its subsidiaries to make any payments or (5) impose any other obligation, restriction, requirement, limitation, qualification, condition, remedy or other action, which, in the case of any such term or condition described in clauses (1) through (5) above, would have, or would reasonably be expected to have, individually or in the aggregate with all other such terms and conditions, a material adverse effect on Anthem, Cigna and their respective subsidiaries, taken as a whole, after giving effect to the mergers, including the synergies expected to be realized from the mergers (it being agreed that, for purposes of determining whether any such term or condition would be a burdensome term or condition, impacts on the synergies expected to be realized from the mergers that are publicly disclosed by either Anthem or Cigna in accordance with the merger agreement shall be taken into account).

Each of Anthem's, Merger Subs and Cigna's obligation to effect the merger is conditioned upon, among other things, the termination or expiration of the applicable waiting period (and any extension thereof) under the HSR Act and

certain specified necessary consents having been made or obtained and being in full force and effect, without the imposition of any burdensome terms or conditions. See the section entitled *The Merger Agreement - Conditions to the Merger* beginning on page 202 of this joint proxy statement/prospectus.

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### ***Department of Justice, Federal Trade Commission and Other U.S. Antitrust Authorities***

Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the FTC and the Antitrust Division of the DOJ.

Anthem and Cigna each filed its respective required HSR notification and report with respect to the merger on August 27, 2015. On September 28, 2015, the parties received a second request from the DOJ regarding the merger. The effect of the second request was to extend the waiting period imposed by the HSR Act until 30 days after each party has substantially complied with the second request, unless that period is terminated sooner by the DOJ. The parties are working to promptly respond to the second request and continue to work cooperatively with the DOJ in connection with this review.

At any time before or after the merger is completed, either the DOJ or the FTC could take action under the antitrust laws in opposition to the merger, including seeking to enjoin completion of the merger, condition approval of the merger upon the divestiture of assets of Anthem, Cigna or their respective subsidiaries or impose restrictions on Anthem's post-merger operations. In addition, U.S. state attorneys general could take action under the antitrust laws as they deem necessary or desirable in the public interest including seeking to enjoin completion of the merger or permitting completion subject to regulatory concessions or conditions. Private parties also may seek to take legal action under the antitrust laws under some circumstances.

### ***Regulatory Approvals***

Pursuant to the insurance, healthcare and pharmacy laws and regulations of certain states, the federal government and certain non-U.S. jurisdictions, and pursuant to certain licenses and contracts of Cigna and certain of its subsidiaries, applicable regulatory authorities must approve, or be notified of, Anthem's acquisition of control of Cigna's health maintenance organizations, insurance companies and other regulated entities. To obtain these approvals and provide such notices, Anthem, or the applicable Anthem subsidiary, and in some instances Cigna, or the applicable Cigna regulated entity, as the case may be, has filed or will file acquisition of control and material modification or similar statements, notices or applications, as required by the insurance, healthcare and pharmacy laws and regulations of each applicable jurisdiction or the Cigna regulated entities' licenses and contracts.

### ***Other Governmental Approvals***

Neither Anthem nor Cigna is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above.

### ***Timing; Challenges by Governmental and Other Entities***

There can be no assurance that any of the regulatory approvals described above will be obtained and, if obtained, there can be no assurance as to the timing of any approvals, the ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals.

In addition, there can be no assurance that any of the governmental or other entities described above, including the DOJ, the FTC, U.S. state attorneys general and private parties, will not challenge the merger on antitrust or competition grounds and, if such a challenge is made, there can be no assurance as to its result.

### **Material U.S. Federal Income Tax Consequences of the Merger**

The following discussion summarizes the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Cigna common stock. This discussion is based on the Code, the U.S. Treasury Regulations promulgated thereunder and judicial and administrative rulings, all as in effect as of the date hereof and all of which are subject to change or varying interpretation, possibly with retroactive effect. Any such

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changes could affect the accuracy of the statements and conclusions set forth herein. This discussion does not address any aspect of foreign, state, local, alternative minimum, estate, gift or other tax law that may be applicable to a holder.

This discussion addresses only those holders that hold their Cigna common stock as a capital asset (within the meaning of Section 1221 of the Code) and does not address all the U.S. federal income tax consequences that may be relevant to particular holders of Cigna common stock in light of their individual circumstances or to holders of Cigna common stock that are subject to special rules, such as financial institutions; investors holding Cigna common stock through pass-through entities; insurance companies; tax-exempt organizations; dealers in securities or currencies; traders in securities that elect to use a mark to market method of accounting; persons who hold Cigna common stock as part of a straddle, hedge, constructive sale or conversion transaction; regulated investment companies; real estate investment trusts; grantor trusts; persons whose functional currency is not the U.S. dollar; certain former citizens or long-term residents of the United States; and holders who acquired their Cigna common stock through the exercise of an employee stock option or otherwise as compensation.

For purposes of this discussion, a U.S. holder means a beneficial owner of Cigna common stock that is, for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;

a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income taxation on its income regardless of its source.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Cigna common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such partnerships should consult their tax advisors as to the tax consequences of the merger to them.

The actual tax consequences of the merger to you may be complex and will depend on your specific situation. You are urged to consult your own tax advisor as to the particular tax consequences of the merger to you, including the effects of U.S. federal, state, local and foreign tax laws.

***Exchange of Cigna Common Stock for Anthem Common Stock and Cash in the Merger***

Anthem and Cigna each have agreed to use its reasonable best efforts to cause the mergers, taken together, to qualify as a reorganization within the meaning of Section 368(a) of the Code and to obtain from its outside counsel an opinion, dated as of the closing date of the merger, to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code and Anthem and Cigna each will be a party to such reorganization within the meaning of Section 368(b) of the Code. If Anthem and Cigna each receive such an opinion,

then the second merger will occur immediately following the merger, as described below in *The Merger Agreement Terms of the Mergers* . Although the merger is not conditioned upon the receipt of these opinions, Anthem and Cigna currently anticipate obtaining them. The remainder of this discussion assumes that these opinions will be obtained and that the second merger will occur immediately following the merger, except as described below under *Potential Treatment as a Taxable Transaction* .

Subject to the qualifications and limitations set forth herein, it is the opinion of White & Case LLP, counsel to Anthem, and Cravath, Swaine & Moore LLP, counsel to Cigna, that the mergers will qualify as a reorganization within the meaning of Section 368(a) of the Code and Anthem and Cigna each will be a party to such reorganization within the meaning of Section 368(b) of the Code. The tax opinions are not binding on the

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Internal Revenue Service, referred to as the IRS in this joint proxy statement/prospectus. These opinions will be based on certain customary assumptions and on representations made in letters to be delivered by Anthem and Cigna at the time of closing, all of which must continue to be true and accurate in all material respects as of the effective time of the mergers. Anthem and Cigna have not requested and do not intend to request a ruling from the IRS as to the U.S. federal income tax consequences of the mergers, and there is no guarantee that the IRS will treat the mergers as a reorganization within the meaning of Section 368(a) of the Code.

Based upon the foregoing and assuming that the mergers qualify as a reorganization within the meaning of Section 368(a) of the Code, the material U.S. federal income tax consequences of the mergers will be as follows:

no gain or loss will be recognized by Anthem or Cigna as a result of the mergers;

gain (but not loss) will be recognized by a U.S. holder who receives shares of Anthem common stock and cash in exchange for shares of Cigna common stock pursuant to the merger, in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Anthem common stock (as of the effective time) and the cash received by the U.S. holder exceeds the U.S. holder's adjusted tax basis in its Cigna common stock and (2) the amount of cash received by the U.S. holder (excluding any cash received in lieu of fractional shares);

the aggregate tax basis in the Anthem common stock received by a U.S. holder in the merger (including any fractional shares deemed received, as discussed below) will be the same as the aggregate tax basis of the Cigna common stock for which it is exchanged, decreased by the amount of cash received in the merger (excluding any cash received in lieu of fractional shares), and increased by the amount of gain recognized in the exchange (excluding any gain recognized as a result of cash received in lieu of fractional shares); and

the holding period of Anthem common stock (including any fractional shares) received in exchange for shares of Cigna common stock will include the holding period of the Cigna common stock for which it is exchanged.

Subject to the discussion under the section below entitled *Potential Treatment of Cash as a Dividend*, gain that a U.S. holder recognizes in connection with the mergers generally will be capital gain and will be long-term capital gain if, as of the effective date of the mergers, the U.S. holder has held its Cigna common stock for more than one year. Long-term capital gain is taxed at reduced rates for non-corporate holders.

If a U.S. holder acquired different blocks of Cigna common stock at different times or at different prices, any gain will be determined separately with respect to each block of Cigna common stock, and the cash and shares of Anthem common stock received will be allocated pro rata to each such block of stock.

### ***Potential Treatment of Cash as a Dividend***

It is possible that all or part of the gain that a U.S. holder recognizes in the mergers could be treated as dividend income rather than capital gain if (1) the U.S. holder is a significant shareholder of Anthem or (2) the U.S. holder's percentage ownership, taking into account constructive ownership rules, in Anthem after the mergers is not meaningfully reduced from what its percentage ownership would have been if it had received solely shares of Anthem

common stock rather than a combination of cash and shares in the merger. This could happen, for example, because of ownership of additional shares of Anthem common stock by such holder, ownership of Anthem common stock by a person related to such holder or a share repurchase by Anthem from other holders of Anthem common stock. The IRS has indicated in rulings that any reduction in the interest of a shareholder that owns a small number of shares in a publicly and widely held corporation and that exercises no control over corporate affairs would result in capital gain as opposed to dividend treatment. Because the possibility of dividend treatment depends primarily upon the particular circumstances of a U.S. holder, including the application of certain constructive ownership rules, U.S. holders are urged to consult their own tax advisor as to the potential tax consequences of the mergers to them.



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**Table of Contents*****Cash Received In Lieu of a Fractional Share of Anthem Common Stock***

A U.S. holder who receives cash in lieu of a fractional share of Anthem common stock will be treated as having received the fractional share pursuant to the mergers and then as having exchanged the fractional share for cash in a redemption by Anthem. As a result, such U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received in lieu of a fractional share and the holder's adjusted tax basis in that fractional share. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the mergers, the U.S. holder has held its Cigna common stock for more than one year. Long-term capital gain is taxed at reduced rates for non-corporate holders. The deductibility of capital losses is subject to limitations.

***Potential Treatment as a Taxable Transaction***

As discussed above, Anthem and Cigna each have agreed to use its reasonable best efforts to cause the mergers, taken together, to qualify as a reorganization within the meaning of Section 368(a) of the Code and each currently anticipate obtaining an opinion, dated as of the closing date of the merger, that the mergers will so qualify. The merger is not conditioned upon the receipt of such opinions, however, and, even if the opinions are received, there is no guarantee that the IRS will treat the mergers as qualifying as a reorganization within the meaning of Section 368(a) of the Code. If the opinions are not received and the second merger does not occur or if the IRS successfully challenges the treatment of the mergers as a reorganization within the meaning of Section 368(a) of the Code, then the tax consequences described in this joint proxy statement/prospectus would not apply to a U.S. holder of Cigna common stock. In that case, a U.S. holder of Cigna common stock would generally recognize gain or loss in an amount equal to the difference between (1) the sum of the fair market value of the Anthem common stock (as of the effective time) and the cash received by the U.S. holder in the merger and (2) the U.S. holder's adjusted tax basis in its Cigna common stock. This gain or loss generally would be capital gain or loss, and would be long-term capital gain or loss, if as of the effective date of the merger, the U.S. holder has held its Cigna common stock for more than one year. Long-term capital gain is taxed at reduced rates for non-corporate holders. The deductibility of capital losses is subject to limitations.

In that case, the aggregate tax basis in the Anthem common stock received by a U.S. holder in the merger would equal its fair market value (as of the effective time) and the holding period of Anthem common stock received in the merger would begin on the day following the effective time.

If a U.S. holder acquired different blocks of Cigna common stock at different times or at different prices, any gain or loss would be determined separately with respect to each block of Cigna common stock, and the cash and shares of Anthem common stock received would be allocated pro rata to each such block of stock.

***Backup Withholding and Information Reporting***

Payments of cash to a U.S. holder pursuant to the merger may be subject to information reporting and backup withholding, unless the holder provides proof of an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and generally will be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

A U.S. holder who receives Anthem common stock as a result of the merger will be required to retain records pertaining to the merger. Each U.S. holder who is required to file a U.S. federal income tax return and who is a

significant holder that receives Anthem common stock in the merger will be required to file a statement with such holder's U.S. federal income tax return setting forth such holder's tax basis in the Cigna common stock surrendered and the fair market value of the Anthem common stock and the cash received in the merger. A significant holder is a holder of Cigna common stock, who, immediately before the merger, owned at least 5% of the outstanding stock of Cigna.

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**You are urged to consult your own tax advisor as to the particular tax consequences of the mergers to you, including the effects of U.S. federal, state, local and foreign tax laws.**

**Accounting Treatment**

The merger will be accounted for using the acquisition method of accounting, with Anthem considered the acquirer of Cigna. Anthem will record assets acquired, including identifiable intangible assets, and liabilities assumed from Cigna at their respective fair values at the date of completion of the merger. Any excess of the purchase price (as described under Note 5 Preliminary Merger Consideration under the section entitled *Anthem Unaudited Pro Forma Condensed Combined Financial Data Notes to Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 43 of this joint proxy statement/prospectus) over the net fair value of such assets and liabilities will be recorded as goodwill.

The financial condition and results of operations of Anthem after completion of the merger will reflect Cigna after completion of the merger, but will not be restated retroactively to reflect the historical financial condition or results of operations of Cigna. The earnings of Anthem following completion of the merger will reflect acquisition accounting adjustments, including the effect of changes in the carrying value for assets and liabilities. Indefinite-lived intangible assets, including certain trademarks, and goodwill will not be amortized, but will be tested for impairment at least annually, and all tangible and intangible assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, Anthem determines that tangible or intangible assets (including goodwill) are impaired, Anthem would record an impairment charge at that time.

**Treatment of Cigna Equity Awards**

Under the terms of the merger agreement:

each Cigna stock option that is unvested as of immediately prior to the effective time of the merger will be converted at the effective time into an option to purchase, on the same terms and conditions (including applicable vesting requirements), a number of shares of Anthem common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such unvested Cigna stock option by the equity award exchange ratio, with a per-share exercise price (rounded up to the nearest whole cent) determined by dividing the per-share exercise price of the Cigna stock option by the equity award exchange ratio;

each Cigna stock option that is vested as of immediately prior to the effective time of the merger will be cancelled at the effective time in exchange for a cash payment and a number of vested shares of Anthem common stock with an aggregate value equal to the excess, if any, of the value of the per-share merger consideration over the Cigna stock option's per share exercise price. The portions of the foregoing amount that are payable in cash and vested shares of Anthem common stock, respectively, will equal the portions of the per-share merger consideration that are payable in cash and vested shares of Anthem common stock to Cigna shareholders generally;

each Cigna restricted stock award granted prior to July 1, 2015 to an employee who Cigna designates as a career band 4 employee for this purpose will be cancelled at the effective time in exchange for the same cash

and stock merger consideration received by Cigna shareholders generally, except that the stock portion of such consideration will remain subject to the same terms and conditions (including applicable vesting requirements) as were applicable to the Cigna restricted stock award prior to the effective time. Each other Cigna restricted stock award will be converted at the effective time, on the same terms and conditions (including applicable vesting requirements), into a restricted stock award with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to such Cigna restricted stock award by the equity award exchange ratio;

each Cigna restricted stock unit award and strategic performance share award will be converted at the effective time of the merger into a service-based restricted stock unit award, on the same terms and

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conditions (including applicable vesting schedule, but without continuing performance-based vesting conditions), with respect to a number of shares of Anthem common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of Cigna common stock subject to each Cigna restricted st