HNI CORP
Form S-3D
May 11, 2009

As filed with the Securities and Exchange Commission on May 11, 2009
Registration No. 333-___

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HNI Corporation
(Exact Name of Registrant as Specified in Its Charter)

Iowa	42-0617510
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

408 East Second Street
P.O. Box 1109
Muscatine, IA 52761-0071
563/272-7400
(Address, including Zip Code, and Telephone Number, including Area Code of Registrant's Principal Executive Offices)

Steven M. Bradford
Vice President, General Counsel and Secretary
HNI Corporation
408 East Second Street
P.O. Box 1109
Muscatine, IA 52761
563/272-7400
(Name, Address, including Zip Code and Telephone Number, including Area Code, of Agent For Service)

Copy to:
Joseph P. Richardson, Esq.
Matthew M. Holman, Esq.
Squire, Sanders & Dempsey L.L.P.
Two Renaissance Square

40 North Central Avenue
Phoenix, AZ 85004-4498
602/528-4000

Approximate date of commencement of proposed sale to public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. þ

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or reinvestment plans, please check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. o _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. o _____

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

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

Large Accelerated Filer þ Accelerated Filer o Non-accelerated Filer o Smaller Reporting Company o

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per unit (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee (2)
Common Stock, par value $1.00 per share	$1,000,000	$14.94	$14,940,000	$833.65

(1) This number represents the maximum number of shares of common stock that can be offered under the Dividend Reinvestment and Share Purchase Plan. Pursuant to Rule 416 under the Securities Act of 1933, the shares being registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2)

Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the average of the high and low transaction prices of a share of the registrant's common stock as reported on the New York Stock Exchange on May 6, 2009.

PROSPECTUS

HNI Corporation

Dividend Reinvestment and Share Purchase Plan

The HNI Corporation Dividend Reinvestment and Share Purchase Plan (the "Plan") provides participants with a convenient and economical method of purchasing shares of our common stock, par value $1.00 per share ("Common Stock"), and reinvesting cash dividends paid on Common Stock in additional shares of Common Stock. Participation in the Plan is open to any registered holder of Common Stock. Beneficial owners of Common Stock whose only shares are registered in names other than their own (e.g., held in street name in a brokerage account) are not eligible until they become shareholders of record by withdrawing the shares from their brokerage account and registering the shares in their own name.

Participants in the Plan may elect to reinvest all or a percentage of the cash dividends paid on their shares of Common Stock in additional shares of Common Stock. Participants may also purchase additional shares of Common Stock by making optional cash investments in accordance with the provisions of the Plan. Holders of Common Stock who choose not to participate in the Plan will continue to receive cash dividends on shares of Common Stock registered in their name, as declared, by check or direct deposit.

Shares of Common Stock purchased by participants in the Plan may be treasury or new issue Common Stock or, at our option, Common Stock purchased in the open market or in negotiated transactions. Treasury or new issue Common Stock is purchased from us at the market price on the applicable investment date. The price of Common Stock purchased in the open market or in negotiated transactions is the weighted average price at which the shares are actually purchased. This prospectus relates to 1,000,000 shares of Common Stock. Our Common Stock is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "HNI."

A complete description of the Plan begins on page 4 of this prospectus.

You should consider the risks that we have described in this prospectus before you invest. See "RISK FACTORS" on page 2 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 8, 2009.

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EXHIBIT 24.1

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, relating to the shares of our Common Stock offered. We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. We are offering to sell, and seeking offers to buy, securities only in jurisdictions in which offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of its cover, regardless of the time of delivery of this prospectus or of any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since those dates. You should rely only on the information contained or incorporated by reference in this prospectus. To the extent there is a conflict between the information contained in this prospectus and a statement in another document having a later date – for example, a document incorporated by reference into this prospectus – the statement in the document having the later date modifies or supersedes the earlier statement.

In this prospectus, the terms "we," "our," "us," "HNI" and the "Corporation" refer to HNI Corporation, unless otherwise specified.

HNI CORPORATION

Our Company

We are an Iowa corporation, incorporated in 1944, and are the second largest office furniture manufacturer in the world and the nation's leading manufacturer and marketer of gas and wood-burning fireplaces. We provide a broad office furniture product offering to dealers (both independent and Corporation-owned), wholesalers, retail superstores, end-user customers and federal, state and local governments. Dealer, wholesaler and retail superstores are the major office furniture product distribution channels based on sales. Our hearth products include a full array of gas, electric and wood-burning fireplaces, inserts, stoves, facings and accessories. We sell these products through a national system of dealers and distributors, as well as Corporation-owned distribution and retail outlets. We are organized into a corporate headquarters and operating units with offices, manufacturing plants, distribution centers and sales showrooms in the United States, Canada, China, Hong Kong and Taiwan. We have eight operating units, marketing under various brand names, including HON®, Allsteel®, Gunlocke®, Paoli®, Maxon®, HBF® and Lamex®, that participate in the office furniture industry. These operating units include: The HON Company, Allsteel Inc., Maxon Furniture Inc., The Gunlocke Company L.L.C., Paoli Inc., Hickory Business Furniture, LLC, HNI Hong Kong Limited (Lamex) and Omni Workspace Company. Each of these operating units provides products, or in the case of Omni Workspace Company services, which are sold through various channels of distribution and segments of the office furniture industry. Our operating unit Hearth & Home Technologies Inc. participates in the hearth products industry manufacturing and distributing such brands as Heatilator®, Heat & Glo™, Quadra-Fire® and Harman Stove™. The retail and distribution brand for this operating unit is Fireside Hearth & Home. In fiscal 2008, we had net sales of $2.5 billion, of which approximately $2.1 billion or 83% was attributable to office furniture products and $0.4 billion or 17% was attributable to hearth products.

Our Growth Strategy

Our strategy is to build on our position as a leading manufacturer of office furniture and hearth products in North America and pursue select global markets where opportunities exist to create value. The key components of this strategy are to:

- ιντροδυχε νεω προδυχτσ;
- βυιλδ βρανδ εθυιτψ;
- προϖιδε ουτστανδινγ χυστομερ σατισφαχτιον βψ φοχυσινγ ον τηε ενδ–υσερ;

- στρενγτηεν τηε διστριβυτιον νετωορκ;
- ρεσπονδ το γλοβαλ χομπετιτιον;
- πυρσυε χομπλεμενταρψ στρατεγιχ αχθυισιτιονσ;
- εντερ μαρκετσ νοτ χυρρεντλψ σερϖεδ; ανδ
- χοντινυαλλψ ρεδυχε χοστσ.

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Our strategy has a dual focus: working continuously to extract new growth from our core markets while identifying and developing new, adjacent potential areas of growth. We focus on extracting new growth from each of our existing businesses by deepening our understanding of end-users, using new insights gained to refine branding, selling and marketing and developing new products to serve them better. We also pursue opportunities in potential growth drivers outside of, but related to, our core business, such as vertical markets, new distribution models or a new business entirely.

Our Offices

We maintain our principal executive offices at 408 East Second Street, P.O. Box 1109, Muscatine, Iowa 52761. Our telephone number is (563) 272-7400. Our website is located at www.hnicorp.com. Other than as described in "WHERE YOU CAN FIND MORE INFORMATION" below, the information on, or that can be accessed through, our web site is not incorporated by reference in this prospectus, and you should not consider it to be a part of this prospectus. Our web site address is included as an inactive textual reference only.

RISK FACTORS

Investing in our securities involves a high degree of risk. Please see the risk factors described under the caption "ITEM 1A. RISK FACTORS" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2009, on file with the SEC, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as information we include or incorporate by reference in this prospectus.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934 (the "Exchange Act"). Through our website at www.hnicorp.com, you may access, free of charge, our filings, as soon as reasonably practical after we electronically file them with or furnish them to the SEC. Other information contained in our website is not incorporated by reference in, and should not be considered a part of, this prospectus. You also may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at www.sec.gov.

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC to register the securities offered hereby under the Securities Act of 1933 (the "Securities Act"). This prospectus does not contain all of the information included in the registration statement, including certain exhibits and schedules. You may obtain the registration statement and exhibits to the registration statement from the SEC at the address listed above or from the SEC's website – www.sec.gov.

FORWARD-LOOKING STATEMENTS

This prospectus includes and incorporates forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical facts, included or incorporated in this prospectus regarding our strategy, prospects, plans, objectives, future operations, future revenue and earnings, projected margins and expenses, technological innovations, future products or product development, product development strategies, potential acquisitions or strategic alliances, the success of particular product or marketing programs, the amount of revenue generated as a result of sales to significant customers, financial position, and liquidity and anticipated cash needs and availability are forward-looking statements. The words "anticipates," "believes," "could," "confident," "estimates," "expects," "forecasts," "hopes," "intends,"

"likely," "may," "plans," "possible," "potential," "predicts," "projects," "should," "will," "would" and variations of such words and similar expressions are intended to identify forward-looking statements.

Actual results or events could differ materially from the forward-looking statements we make. Among the factors that could cause actual results to differ materially are the factors discussed under "ITEM 1A. RISK

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FACTORS" in our Annual Report on Form 10-K for the fiscal year ended January 3, 2009. Should one or more known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated, projected or implied by these forward-looking statements. You should consider these factors and the other cautionary statements made in this prospectus or the documents we incorporate by reference in this prospectus as being applicable to all related forward-looking statements wherever they appear in this prospectus or the documents incorporated by reference. While we may elect to update forward-looking statements wherever they appear in this prospectus or the documents incorporated by reference, we do not assume, and specifically disclaim, any obligation to do so, whether as a result of new information, future events or otherwise. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus. Information that we file with the SEC in the future and incorporate by reference in this prospectus automatically updates and supersedes previously filed information as applicable.

We incorporate by reference into this prospectus the following documents filed by us with the SEC, other than any portion of any such documents that are not deemed "filed" under the Exchange Act in accordance with the Exchange Act and applicable SEC rules:

- Annual Report on Form 10-K for the fiscal year ended January 3, 2009.
- Current Report on Form 8-K filed with the SEC on February 17, 2009.
- Current Report on Form 8-K filed with the SEC on February 25, 2009.
- Current Report on Form 8-K filed with the SEC on April 3, 2009.
- Information contained in Item 2.05 of Current Report on Form 8-K filed with the SEC on April 22, 2009.
- Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 2009.
- The information specifically incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended January 3, 2009 from our definitive proxy statement on Schedule 14A filed with the SEC on March 30, 2009.
- The description of our common stock contained in the Registration Statement on Form 8-A filed with the SEC on July 12, 1998, including any amendments or reports filed for the purpose of updating such description.

We also incorporate by reference into this prospectus all documents (other than any portions of any such documents that are not deemed "filed" under the Exchange Act in accordance with the Exchange Act and applicable SEC rules) filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial filing of the registration statement of which this prospectus is a part and before the filing of a post-effective amendment to such registration statement which indicates all securities offered hereunder have been sold or that deregisters all securities then remaining unsold.

You may request a copy of these filings, which we shall deliver to you, together with all exhibits thereto, at no cost, by writing or telephoning us as follows:

HNI Corporation
Attention: Corporate Secretary
408 East Second Street
P.O. Box 1109
Muscatine, Iowa 52761

(563) 272-7400

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Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this prospectus or in any other document that is subsequently filed with the SEC and incorporated by reference, modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this prospectus except as so modified or superseded. Since information that we later file with the SEC will update and supersede previously incorporated information, you should look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any documents previously incorporated by reference have been modified or superseded.

DESCRIPTION OF THE PLAN

The following questions and answers define the terms and conditions of the Plan.

In this description of the Plan, the shares of Common Stock purchased on your behalf under the Plan and held for you by the Plan Administrator (as identified below) are called "Plan shares." Shares that are registered in your name and for which you hold the certificate are called "certificated shares."

1. Who is eligible to participate in the Plan?

All shareholders of record owning Common Stock are eligible to participate in the Plan. A shareholder of record of the Corporation is a shareholder whose name is registered on the Corporation's books. A shareholder holding Common Stock in the name of a broker or nominee instead of the shareholder's name is not eligible to participate in the Plan until he or she becomes a shareholder of record by withdrawing the shares from his or her brokerage account and registering the shares in his or her own name (see Question 3 below). If you live outside of the United States, you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. We reserve the right to terminate participation of any shareholder and to refuse Plan participation to any person if we deem it advisable under any foreign laws or regulations. Our members (i.e., employees) who are shareholders are eligible to participate in the Plan, and are subject to the same terms and limitations as non-member shareholders.

2. Who administers the Plan? How do I contact the Plan Administrator?

The Plan is currently administered by Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A. (the "Plan Administrator"). Wells Fargo Bank, N.A. is also the transfer agent for our Common Stock. The Plan Administrator will keep and maintain Plan records and serve as custodian for shares held in the Plan. As agent for the Plan, the Plan Administrator will hold the shares of Common Stock purchased for Plan participants. The Plan Administrator is also responsible for purchasing and selling shares of Common Stock for your Plan account, including the selection of any broker or dealer through which Plan purchases and sales are made. We have no control over the times or prices at which the Plan Administrator effects transactions or the selection of any broker or dealer used by the Plan Administrator. We may change the administrator of the Plan at any time.

You may contact the Plan Administrator as follows:

Plan requests should be mailed to:
Wells Fargo Shareowner Services
P.O. Box 64856
St. Paul, MN 55164-0856

Certified/Overnight mail:
Wells Fargo Shareowner Services
161 North Concord Exchange

South St. Paul, MN 55075-1139

General information:
Fax: 1-651-450-4085
Tel: 1-800-468-9716
Tel: 1-651-450-4064 (outside the United States)

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Internet:
General Information – www.wellsfargo.com/shareownerservices
Shareholder Account Access – www.shareowneronline.com

Customer service representatives are available by calling toll free 1-800-468-9716 between 7:00 a.m. to 7:00 p.m., Central Standard Time, Monday through Friday. An automated telephone system is available to you 24 hours a day, 7 days a week. You can obtain your account balance and account history, sell your shares, request a stock certificate, obtain transfer instructions and change your address and other information through customer service.

3. How do I enroll in the Plan?

To enroll in the Plan, you must be a shareholder of record.

If you are a shareholder of record, you can choose to have all or a portion of your dividends reinvested. You will have Internet access to your account, and you will receive quarterly account statements. Please refer to Addendum A to this prospectus for more information regarding fees. An account authorization form is used to enroll in the Plan and for shareholders to change automatic cash withdrawal and investment dollar amounts, automated privileges and/or direct deposit of dividends. Complete and return the account authorization form to the Plan Administrator. You can request an account authorization form by calling the Plan Administrator. You can also enroll in the Plan online at www.shareowneronline.com, where you should click "First Time Visitor Sign On," then click on "Continue." Next, simply follow the instructions found on the "First Time Visitor New Member Registration" page. Once you have successfully signed up, you will be able to access your account information immediately. You will also receive written confirmation in the mail that your account has been activated for online access.

If you are not a shareholder of record, you can become one in one of the following ways:

- if you own Common Stock in another account (e.g., in a broker, bank, trust or other nominee account), you can arrange with the nominee to transfer shares of stock into your name, and then follow the instructions for shareholders of record; or
- you can purchase shares of Common Stock in your name through a broker or other source and then follow the instructions for shareholders of record.

4. What are the fees and costs of Plan participation?

Current fees and costs are set forth on Addendum A to this prospectus. Costs of Plan participation are subject to change from time to time at our discretion. In addition, we reserve the right to impose new and additional fees. Plan participants will be notified of changes in fees.

5. What investment options are provided under the Plan?

Shareholders of record may participate in the Plan under any one of three investment options:

- Full Reinvestment.
- Partial Reinvestment.
- Cash Investment.

In order to participate in the Plan for any given dividend payment date, you must enroll in the Plan on or before the record date for that dividend payment. You can change your investment option at any time either online or by calling the Plan Administrator and requesting an account authorization form. Any changes will be effective as of the next

record date after receipt by the Plan Administrator.

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6. What is meant by Full Reinvestment?

If you elect to fully reinvest your dividends, when a dividend is paid, the full amount of the cash dividends payable on all your shares (both Plan shares and certificated shares) will be used to purchase additional shares of Common Stock. These additional shares, including fractional shares, will be credited to your Plan account and you will not receive a dividend check or direct deposit for any Plan shares or certificated shares. You will also be able to make cash investments at your convenience any time during the year for the purchase of additional Plan shares.

7. What is meant by Partial Reinvestment?

If you elect to partially reinvest your dividends, when a dividend is paid you will receive a check or direct deposit for the cash dividends on a specified percentage of your shares, and the rest of your dividends will be reinvested in Common Stock. When you select this option, you must specify the percentage of whole shares on which you desire to receive a cash dividend. You may elect percentages from 10-90 in increments of 10%. The balance of your dividends, including dividends on fractional shares, will be used to purchase additional shares of Common Stock and the additional shares will be credited to your Plan account. Your dividends will be reinvested according to your instructions. You will also be able to make cash investments at your convenience any time during the year for the purchase of additional Plan Shares.

For example, a shareholder has 90 shares held in physical certificate or book-entry form (See Question 15 below for an explanation of book-entry form) and 10 Plan shares. The shareholder specifies 50% of his/her total shares are subject to dividend reinvestment. All cash dividends on 50 shares (50% of 100 shares) will be used to purchase additional shares for his/her account under the Plan. The shareholder will receive dividend checks or automatic bank deposits from us, when declared and paid, only for the 50 shares not subject to dividend reinvestment.

8. What is meant by Cash Investment?

If you elect Cash Investment only, you are stating that you want to be able to purchase additional Plan shares of Common Stock by making a cash investment at any time during the year, but you do not want to participate in either dividend reinvestment option.

When a dividend is paid, you will receive a check or direct deposit for the full amount of the dividends payable to you on both your certificated shares and your Plan shares, including any fractional shares.

9. How are cash investments made?

Unlike dividend reinvestment, which normally occurs at quarterly intervals, you can make cash investments throughout the year. Plan purchases with cash investments are generally made once per month on or about the 1st day of the month. Each cash investment must be a minimum of $50 per transaction. Your total cash investments for any calendar year cannot exceed $120,000. These minimum and maximum amounts are subject to change by us. There are currently no brokerage fees for purchases made with cash investments. Please refer to Addendum A to this prospectus for more information regarding fees. After each transaction, you will receive an account statement that shows the number of whole and fractional shares that were purchased and credited to your Plan account, but you will not automatically receive stock certificates for shares purchased under the Plan. If you would like to receive a stock certificate, please follow the instructions in Question 15 below.

A cash investment can be made in the following ways:

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You can authorize the Plan Administrator to make a monthly automatic withdrawal of a specified dollar amount from your bank account by accessing your account online at www.shareowneronline.com. Alternatively, you can complete and sign the bank authorization agreement section of the account authorization form and return it to the Plan Administrator together with a voided blank check for checking accounts or a deposit slip for savings accounts from which funds are to be transferred. There is currently no fee for electronic transactions. Please refer to

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Addendum A to this prospectus for more information regarding fees. Funds generally will be withdrawn from your bank account on or about the 25th day of each month. Your automatic funds transfers will begin as soon as practicable after the Plan Administrator receives the request. You may change the amount of your monthly transfer or terminate your monthly transfer altogether by going online, by calling or by completing a transaction request form or an account authorization form and returning it to the Plan Administrator. A transaction request form is used to make optional cash investments, sell Plan shares, deposit physical certificate shares with the Plan Administrator, discontinue or change automatic cash withdrawal and investment dollar amounts and terminate participation in the Plan. A transaction request form is attached to each account statement mailed to participants and is available from the Plan Administrator upon request. To be effective with respect to a particular investment date, your change or termination request must be received by the Plan Administrator at least fifteen (15) business days prior to the investment date.

- You can mail your personal check to the Plan Administrator for no less than the minimum amount accompanied by a completed transaction request form. The check and completed form must be received by the Plan Administrator no later than one (1) business day prior to an investment date for optional cash investments; otherwise, optional cash investments are held by the Plan Administrator for investment on the next investment date. Your check must be made payable to "Shareowner Services" in U.S. dollars, drawn on a U.S. bank. Third party checks, cashiers checks, foreign checks and money orders will not be accepted and will be returned. Do not send cash.

If the Plan Administrator receives checks or electronic transfers for more or less than the permissible amount, no investment will be made. The funds will be returned to you by regular U.S. mail.

If your check submitted to purchase additional shares is returned unpaid, the Plan Administrator will resell the shares purchased in reliance on the unpaid check. The Plan Administrator may liquidate shares in your account for reimbursement for the transaction fees related to the purchase and sale, if any, plus any loss incurred on reselling the shares.

If you change your mind and want to cancel an upcoming cash investment, you should notify the Plan Administrator in writing. Plan shares are purchased monthly. Therefore, if you wish to cancel the next upcoming cash investment, the Plan Administrator should receive your written cancellation notice at least two (2) business days prior to the investment date for the month.

10. When will shares be purchased under the Plan?

	3.00
	11.33
	5.50

We compute the ratio of earnings to fixed charges by dividing earnings by fixed charges. For purposes of this computation, earnings are defined as pretax earnings from continuing operations before adjustment for minority interest, plus interest expense, and amortization of debt discount and expense related to indebtedness. Fixed charges are interest expense, including amortization of debt discount and expense on indebtedness.

We compute the ratio of earnings to combined fixed charges and preferred stock dividends by dividing earnings by the sum of fixed charges and dividends on preferred stock. Due to the absence of preferred stock dividends, the ratio of earnings to combined fixed charges and preferred stock dividends is equal to the ratio of earnings to fixed charges.

DESCRIPTION OF THE DEBT SECURITIES

General

The description below of the general terms of the debt securities will be supplemented by the more specific terms in a prospectus supplement.

The debt securities offered by this prospectus will be unsecured obligations of Anthem and will be either senior or subordinated debt. We will issue the debt securities under one of two separate indentures between us and The Bank of New York (the Trustee). Senior debt will be issued under a senior note indenture and subordinated debt will be issued under a subordinated note indenture. The senior note indenture and the subordinated note indenture

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are sometimes referred to in this prospectus individually as an indenture and collectively as the indentures. The indentures provide that our debt securities may be issued in one or more series, with different terms, in each case as authorized from time to time by us. The indentures also give us the ability to reopen a previous issue of a series of debt securities and issue additional debt securities of that series or establish additional terms for that series of debt securities. None of the indentures limits the amount of debt securities or other unsecured debt which we may issue.

Neither the senior debt securities nor the subordinated debt securities will be secured by any of our property or assets. Thus, by owning a debt security, you are one of our unsecured creditors.

In addition to the following description of the debt securities, you should refer to the detailed provisions of each indenture, copies of which are filed as exhibits to the registration statement.

A prospectus supplement will specify the following terms of any issue of debt securities we may offer:

- the designation or title, the aggregate principal amount and the authorized denominations if other than $1,000 and integral multiples of $1,000;
- whether the debt securities will be senior or subordinated debt;
- the price(s) at which debt securities will be issued;
- whether the debt securities will be issued pursuant to a periodic offering program;
- the percentage of their principal amount at which the debt securities will be issued and, if applicable, the method of determining the price;
- the date or dates on which the debt securities will mature and any right to extend the date or dates;
- the currency, currencies or currency units in which payments on the debt securities will be payable and the manner of determining the US dollar equivalent for purposes of determining outstanding debt securities of a series;
- the rate or rates at which the debt securities will bear interest, if any, or the method of determination (including indices) of the rate or rates;
- the date or dates from which such interest, if any, shall accrue, the dates on which the interest, if any, will be payable and the method of determining holders to whom any of the interest shall be payable;
- any mandatory or optional sinking fund or analogous provisions;
- the prices, if any, at which, the dates at or after which and the terms upon which, we may or must repay, repurchase or redeem the debt securities;
- the date or dates, if any, after which the debt securities may be converted or exchanged into or for shares of our common stock or another company s securities or property or settled for the cash value of securities issued by us or a third party and the terms for any conversion or exchange or settlement;
- the exchanges, if any, on which the debt securities may be listed;
- any special provisions for the payment of additional amounts with respect to the debt securities;
- whether the debt securities are to be issuable as registered securities or bearer securities or both, whether any of the debt securities are to be issuable initially in temporary global form and whether any of the debt securities are to be issuable in permanent global form;

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each office or agency where the principal of and any premium and interest on the debt securities will be payable and each office or agency where the debt securities may be presented for registration of transfer or exchange;

any right to defer payments of interest by extending the interest payment periods and the duration of the extensions;

the trustee under the indenture pursuant to which the debt securities are to be issued;

whether the debt securities will be subject to defeasance or covenant defeasance; and

any other terms of the debt securities not inconsistent with the provisions of the applicable indenture.

The senior debt securities will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of Anthem. The subordinated debt securities will be unsecured and will rank subordinated and junior in right of payment, to the extent set forth in the subordinated note indenture, to all Senior Debt, as defined herein, of Anthem. See Subordination below.

Some of the debt securities may be issued as discounted debt securities to be sold at a substantial discount below their stated principal amount. The prospectus supplement will contain any United States federal income tax consequences and other special considerations applicable to discounted debt securities.

Payment and Transfer

Unless we state otherwise in a prospectus supplement, we will issue debt securities only as registered securities, which means that the name of the holder will be entered in a register which will be kept by the Trustee or another agent of us. Unless we state otherwise in a prospectus supplement, we will make principal and interest payments at the office of the paying agent or agents we name in the prospectus supplement or by mailing a check to you at the address we have for you in the register.

Unless we state otherwise in a prospectus supplement, you will be able to transfer registered debt securities at the office of the transfer agent or agents we name in the prospectus supplement. You may also exchange registered debt securities at the office of the transfer agent for an equal aggregate principal amount of registered debt securities of the same series having the same maturity date, interest rate and other terms as long as the debt securities are issued in authorized denominations.

Neither we nor the Trustee will impose any service charge for any transfer or exchange of a debt security; however, we may ask you to pay any taxes or other governmental charges in connection with a transfer or exchange of debt securities.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of debt securities during a specified period of time in order to freeze the list of holders to prepare the mailing. The period begins 15 days before the day we mail the notice of redemption and ends on the day of that mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption. However, we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

Global Notes, Delivery and Form

Unless otherwise specified in a prospectus supplement, the debt securities will be issued in the form of one or more fully registered Global Notes, as defined below, that will be deposited with, or on behalf of, The Depository Trust Company, New York, New York, referred to herein as the Depository, and registered in the name of the Depository s nominee. Global Notes are not exchangeable for definitive note certificates except in the specific circumstances described below. For purposes of this prospectus, Global Note refers to the Global Note or Global Notes representing an entire issue of debt securities.

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A Global Note may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

The Depository has advised us as follows:

The Depository is:

a limited purpose trust company organized under the laws of the State of New York;

a banking organization within the meaning of the New York banking law;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the New York Uniform Commercial Code;

a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

The Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book entry changes in accounts of its participants, eliminating the need for physical movements of securities certificates.

The Depository participants include securities brokers and dealers, banks, trust companies, clearing corporations and others, some of whom own the Depository.

Access to the Depository book-entry system is also available to others that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Where we issue a Global Note in connection with the sale thereof to an underwriter or underwriters, the Depository will immediately credit the accounts of participants designated by the underwriter or underwriters with the principal amount of the debt securities purchased by the underwriter or underwriters.

Ownership of beneficial interests in a Global Note and the transfers of ownership will be effected only through records maintained by the Depository (with respect to participants), by the participants (with respect to indirect participants and certain beneficial owners) and by the indirect participants (with respect to all other beneficial owners). The laws of some states require that certain purchasers of securities take physical delivery in definitive form of securities they purchase. These laws may limit your ability to transfer beneficial interests in a Global Note.

So long as a nominee of the Depository is the registered owner of a Global Note, that nominee for all purposes will be considered the sole owner or holder of the debt securities under the indenture. Except as provided below, you will not be entitled to have debt securities registered in your name, will not receive or be entitled to receive physical delivery of debt securities in definitive form, and will not be considered the owners or holders thereof under the indenture.

We will make payment of principal of, premium, if any, and interest on, debt securities represented by a Global Note to the Depository or its nominee, as the case may be, as the registered owner and holder of the Global Note representing those debt securities. The Depository has advised us that upon receipt of any payment of principal of, or interest on, a Global Note, the Depository will immediately credit accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal amount of that Global Note, as shown in the records of the Depository. Standing instructions and customary practices will govern payments by participants to owners of beneficial interests in a Global Note held through those participants, as is now the case with securities held for the accounts of customers registered in street name . Those payments will be the sole responsibility of those participants, subject to any statutory or regulatory requirements that may be in effect from time to time.

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Neither we, the Trustee nor any of our respective agents will be responsible for any aspect of the records of the Depository, any nominee or any participant relating to, or payments made on account of, beneficial interests in a Global Note or for maintaining, supervising or reviewing any of the records of the Depository, any nominee or any participant relating to those beneficial interests.

As described above, we will issue debt securities in definitive form in exchange for a Global Note only in the following situations:

if the Depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by us within 90 days; or

if we choose to issue definitive debt securities.

In either instance, an owner of a beneficial interest in a Global Note will be entitled to have debt securities equal in principal amount to that beneficial interest registered in its name and will be entitled to physical delivery of debt securities in definitive form. Debt securities in definitive form will be issued in denominations of $1,000 and integral multiples thereof and will be issued in registered form only, without coupons. We will maintain in the Borough of Manhattan, The City of New York, one or more offices or agencies where debt securities may be presented for payment and may be transferred or exchanged. You will not be charged a fee for any transfer or exchange of debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Modification of the Indentures

In general, our rights and obligations and the rights of the holders under the indentures may be modified if the holders of at least a majority in aggregate principal amount of the outstanding debt securities of each series affected by the modification consent to it. However, Section 9.02 of each indenture provides that, unless each affected holder agrees, we cannot

make any adverse change to any payment terms of a debt security such as:

extending the maturity date or dates;

extending the date on which we have to pay interest or make a sinking fund payment, other than deferrals of the payments of interest during any extension period as described in any applicable prospectus supplement;

reducing the interest rate;

reducing the amount of principal we have to repay;

changing the currency in which we have to make any payment of principal, premium or interest;

modifying any redemption or repurchase right to the detriment of the holder;

impairing any right of a holder to bring suit for payment;

reduce the percentage of the aggregate principal amount of debt securities needed to make any amendment to the indenture or to waive any covenant or default;

waive any past payment default; or

make any change to Section 9.02.

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However, if we and the Trustee agree, we can amend the indenture without seeking the consent of any holders if the amendment does not adversely affect in any material respect any holder.

In addition, the subordinated note indenture may not be amended without the consent of each holder of subordinated debt securities affected thereby to modify the subordination of the subordinated debt securities issued under that indenture in a manner adverse to the holders of the subordinated debt securities.

Consolidation, Merger and Sale

We shall not consolidate with or merge into any other corporation or convey, transfer or lease our properties and assets substantially as an entirety to any person, unless (1) such other corporation or person expressly assumes, by supplemental indenture executed and delivered to the Trustee, the payment of the principal of and premium, if any, and interest on all the debt securities and the performance of every covenant of the indenture on our part to be performed or observed; (2) immediately after giving effect to such transactions, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and (3) we have delivered to the Trustee an officers certificate and opinion of counsel, each stating that such transaction complies with the provisions of the indenture governing consolidation, merger, conveyance, transfer or lease, including all conditions precedent.

Events of Default

Each indenture defines an Event of Default with respect to any series of debt securities. Unless otherwise provided in the applicable prospectus supplement, Events of Default are any of the following:

default in any payment of principal or premium, if any, on any debt security of that series when due;

default for 30 days in payment of any interest, if any, on any debt security of that series (subject to the deferral of any due date in the case of an extension period);

default in the making or satisfaction of any sinking fund payment or analogous obligation for 30 days on the debt securities of that series;

default for 90 days after written notice, as provided in the indenture, of our performance of any other covenant in respect of the debt securities of that series contained in the indenture;

certain events in bankruptcy, insolvency or reorganization; or

any other event of default provided with respect to debt securities of a series.

An Event of Default under one series of debt securities does not necessarily constitute an Event of Default under any other series of debt securities. Each indenture provides that the Trustee may withhold notice to the holders of any series of debt securities issued thereunder of any default if the Trustee considers it in the interest of such holders to do so provided the Trustee may not withhold notice of default in the payment of principal, premium, if any, or interest, if any, on any of the debt securities of that series or in the making of any sinking fund installment or analogous obligation with respect to that series.

Each indenture provides that if an Event of Default occurs and is continuing with respect to any series of debt securities, either the Trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of that series may declare the principal amount (or in the case of discounted debt securities, that portion of the principal amount as may be specified in the terms of that series) of all the debt securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgement or decree for payment of money has been obtained by the Trustee, the holders of a majority in aggregate outstanding principal amount of the debt securities of that series may, under certain circumstances, annul and rescind such acceleration. The holders of a majority in principal amount of such debt securities then outstanding may also waive on behalf of all holders of that series past defaults with respect to a

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particular series of debt securities except, unless previously cured, a default in payment of principal, premium, if any, or interest, if any, on any of the debt securities of such series, or the payment of any sinking fund installment or analogous obligation on the debt securities of such series.

Other than the duties of a trustee during a default, the Trustee is not obligated to exercise any of its rights or powers under each indenture at the request, order or direction of any holders of debt securities of any series issued thereunder unless the holders shall have offered to the Trustee indemnity. Subject to the indemnification provision, each indenture provides that the holders of a majority in principal amount of the debt securities of any series issued thereunder at the time outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee thereunder, or exercising any trust or power conferred on such Trustee with respect to the debt securities of such series. However, the Trustee may decline to act if it has not been offered indemnity or if it determines that the proceedings so directed would be illegal or involve it in any personal liability.

Conversion and Exchange Rights

The debt securities of any series may be convertible into or exchangeable for other securities of Anthem or another issuer or property or cash on the terms and subject to the conditions set forth in the applicable prospectus supplement.

Defeasance and Discharge

The following discussion of full defeasance and discharge will apply to any series of debt securities unless otherwise indicated in the applicable prospectus supplement with respect to the debt securities of a series.

Each indenture provides that if we choose to have the defeasance and discharge provision applied to the debt securities, we can legally release ourselves from any payment or other obligations on the debt securities, except for the ministerial obligations described below, if we put in place the following arrangements for you to be repaid:

> We must deposit in trust for the benefit of all direct holders of debt securities money, U.S. government or U.S. government agency notes or bonds, or a combination thereof that will generate enough cash to make any interest, premium, principal or other payments on the debt securities on their various due dates; and
>
> We must deliver to the Trustee a legal opinion of our counsel confirming that we received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or there has been a change in U.S. federal income tax law, and, in either case, under then current U.S. law we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

In addition, the subordinated note indenture provides that if we choose to have the defeasance and discharge provision applied to the subordinated debt securities, the subordination provisions of the subordinated note indenture will become ineffective.

However, even if we make the deposit in trust and opinion delivery arrangements discussed above, a number of our obligations relating to the debt securities will remain. These include our obligations:

> to register the transfer and exchange of debt securities;
>
> to replace mutilated, destroyed, lost or stolen debt securities;
>
> to maintain paying agencies; and
>
> to hold money for payment in trust.

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Covenant Defeasance

The indentures also allow us to choose whether covenant defeasance will apply to any series of debt securities. If we do so choose, we will say so in the prospectus supplement.

The indentures provide that if we choose to have the covenant defeasance provision applied to any debt securities, we need not comply with the covenants in the indentures, including under Consolidation, Merger and Sale and, in the case of the subordinated note indenture, the provisions relating to subordination. In addition, covenant defeasance would also render ineffective any Event of Default provisions relating to any restrictive covenants. Any of our other obligations affected by covenant defeasance will be specified in the prospectus supplement.

In order to exercise the covenant defeasance option, we must put into place the same deposit in trust and opinion delivery arrangements as discussed above under Defeasance and Discharge .

Highly Leveraged Transaction

The general provisions of the indentures do not afford holders of the debt securities protection in the event of a highly leveraged or other transaction involving us that may adversely affect holders of the debt securities.

Subordination

Any subordinated debt securities issued under the subordinated note indenture will be subordinate and junior in right of payment to all of our Senior Debt whether existing at the date of the subordinated note indenture or subsequently incurred. Upon any payment or distribution of our assets to creditors upon any:

liquidation;

dissolution;

winding-up;

receivership;

reorganization;

assignment for the benefit of creditors;

marshaling of assets and liablities;

bankruptcy;

insolvency; or

debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding,

the holders of Senior Debt will first be entitled to receive payment in full of the principal of and any premium and interest on such Senior Debt before the holders of the subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of and any premium or interest on the subordinated debt securities.

Upon the acceleration of the maturity of any subordinated debt securities, the holders of all Senior Debt outstanding at the time of the acceleration will first be entitled to receive payment in full of all amounts due thereon, including any amounts due upon acceleration, before the holders of subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of or any premium or interest on the subordinated debt securities.

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No payments on account of principal, or any premium or interest, in respect of the subordinated debt securities may be made if:

- there has occurred and is continuing a default in any payment with respect to Senior Debt; or
- there has occurred and is continuing an event of default with respect to any Senior Debt resulting in the acceleration of the maturity thereof.

Senior Debt means the principal of, and any premium and interest, including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to us, whether or not such claim for post-petition interest is allowed in such proceeding, on our Debt, whether incurred on, before or after the date of the subordinated note indenture, unless the instrument creating or evidencing the Debt or under which the Debt is outstanding provides that obligations created by it are not superior in right of payment to the subordinated debt securities.

Debt means, with respect to any person, whether recourse is to all or a portion of the assets of that person and whether or not contingent:

- every obligation of that person for money borrowed;
- every obligation of that person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- every reimbursement of that person with respect to letters of credit, bankers acceptances or similar facilities issued for the account of that person;
- property or services, but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business;
- every capital lease obligation of that person; and
- every obligation of the type referred to above of another person and all dividends of another person the payment of which, in either case, such person has guaranteed or for which such person is responsible or liable, directly or indirectly, as obligor or otherwise.

The indentures will place no limitation on the amount of additional Senior Debt that we may incur.

Governing Law

The indentures and the debt securities will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the Trust Indenture Act applies.

Concerning the Trustee

We have had and may continue to have commercial and investment banking relationships with The Bank of New York in the ordinary course of business. The Bank of New York is currently the trustee under indentures pursuant to which we have issued $230 million of debentures as part of its 6.00% equity security units and $950 million of notes. The Bank of New York is also the purchase contract agent for our 6.00% equity security units.

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DESCRIPTION OF THE PREFERRED STOCK

This section describes the general terms and provisions of the preferred stock we may offer by this prospectus. The applicable prospectus supplement will describe the specific terms of the series of the preferred stock then offered, and the terms and provisions described in this section will apply only to the extent not superceded by the terms of the applicable prospectus supplement.

This section is only a summary of the preferred stock that we may offer. We urge you to read carefully our articles of incorporation and the articles of amendment we will file in relation to an issue of any particular series of preferred stock before you buy any preferred stock.

We are authorized to issue up to 100,000,000 shares of preferred stock, without par value, none of which is issued or outstanding. Our board of directors may issue from time to time shares of preferred stock in one or more series and with the relative powers, rights and preferences and for the consideration our board of directors may determine.

Our board of directors may, without further action of the shareholders, determine and set forth in an amendment to our articles of incorporation the following for each series of preferred stock:

- the serial designation and the number of shares in that series;
- the dividend rate or rates, whether dividends shall be cumulative and, if so, from what date, the payment date or dates for dividends, and any participating or other special rights with respect to dividends;
- any voting powers of the shares;
- whether the shares will be redeemable and, if so, the price or prices at which, and the terms and conditions on which the shares may be redeemed;
- the amount or amounts payable upon the shares in the event of voluntary or involuntary liquidation, dissolution or winding up of us prior to any payment or distribution of our assets to any class or classes of our stock ranking junior to the preferred stock;
- whether the shares will be entitled to the benefit of a sinking or retirement fund and, if so entitled, the amount of the fund and the manner of its application, including the price or prices at which the shares may be redeemed or purchased through the application of the fund;
- whether the shares will be convertible into, or exchangeable for, shares of any other class or of any other series of the same or any other class of our stock or the stock of another issuer, and if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments to the conversion price or rates of exchange at which the conversion or exchange may be made, and any other terms and conditions of the conversion or exchange; and
- any other preferences, privileges and powers, and relative, participating, optional, or other special rights, and qualifications, limitations or restrictions, as our board of directors may deem advisable and as shall not be inconsistent with the provisions of our articles of incorporation.

Depending on the rights prescribed for a series of preferred stock, the issuance of preferred stock could have an adverse effect on the voting power of the holders of common stock and could adversely affect holders of common stock by delaying or preventing a change in control of us, making removal of our present management more difficult or imposing restrictions upon the payment of dividends and other distributions to the holders of common stock.

The preferred stock, when issued, will be fully paid and nonassessable. Unless the applicable prospectus supplement provides otherwise, the preferred stock will have no preemptive rights to subscribe for any additional

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securities which may be issued by us in the future. The transfer agent and registrar for the preferred stock will be specified in the applicable prospectus supplement.

DESCRIPTION OF COMMON STOCK

General

We are authorized to issue up to 900,000,000 shares of common stock, par value $0.01 per share. Each holder of our common stock is entitled to one vote per share of record on all matters to be voted upon by the shareholders. Holders do not have cumulative voting rights in the election of directors or any other matter. Subject to the preferential rights of the holders of any preferred stock that may at the time be outstanding, each share of common stock will entitle the holder of that share to an equal and ratable right to receive dividends when, if and as declared from time to time by our board of directors and paid out of legally available funds. We do not anticipate paying cash dividends.

In the event of our liquidation, dissolution or winding up, the holders of common stock will be entitled to share ratably in all assets remaining after payments to creditors and after satisfaction of the liquidation preference, if any, of the holders of any preferred stock that may at the time be outstanding. Holders of common stock have no preemptive or redemption rights and will not be subject to further calls or assessments by us. Any shares of common stock offered by this prospectus will, when issued, be fully paid and non-assessable.

Authorized But Unissued Shares

Indiana law does not require shareholder approval for any issuance of authorized shares. Authorized but unissued shares may be used for a variety of corporate purposes, including future public or private offerings to raise additional capital or to facilitate corporate acquisitions. One of the effects of the existence of authorized but unissued shares may be to enable the board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of current management and possibly deprive the shareholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Limitations on Ownership of Our Common Stock in Articles of Incorporation

Our license agreements with the BCBSA require as a condition to our retention of the licenses that our articles of incorporation contain certain provisions, including limitations on the ownership of our common stock. Our articles of incorporation provide that after the demutualization of Anthem Insurance, a subsidiary of Anthem, which took place on November 2, 2001, no person may beneficially own shares of its voting capital stock in excess of the specified BCBSA ownership limit, except with the prior approval of a majority of the continuing directors (as defined in our articles of incorporation). The BCBSA ownership limit, which may not be exceeded without the prior approval of the BCBSA, is the following:

for any Institutional Investor, one share less than 10% of our outstanding voting securities;

for any Noninstitutional Investor, one share less than 5% of our outstanding voting securities; and

for any person, one share less than the number of shares of our common stock or other equity securities (or a combination thereof) representing a 20% or more ownership interest in our company.

Institutional Investor means any person if (but only if) such person is:

a broker or dealer registered under Section 15 of the Exchange Act;

a bank as defined in Section 3(a)(6) of the Exchange Act;

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an insurance company as defined in Section 3(a)(19) of the Exchange Act;

an investment company registered under Section 8 of the Investment Company Act of 1940;

an investment adviser registered under Section 203 of the Investment Advisers Act of 1940;

an employee benefit plan, or pension fund which is subject to the provisions of ERISA or an endowment fund;

a parent holding company, provided the aggregate amount held directly by the parent, and directly and indirectly by its subsidiaries which are not persons specified in the six bullet points listed above, does not exceed one percent of the securities of the subject class such as common stock; or

a group, provided that all the members are persons specified in any of the seven bullet points listed above.

In addition, every filing made by such person with the SEC under Regulations 13D-G (or any successor regulations) under the Exchange Act with respect to that person s beneficial ownership must contain a certification substantially to the effect that our common stock acquired by that person was acquired in the ordinary course of business and was not acquired for the purpose of and does not have the effect of changing or influencing the control of our company and was not acquired in connection with or as a participant in any transaction having such purpose or effect.

Noninstitutional Investor means any person that is not an Institutional Investor.

Any transfer of stock that would result in any person beneficially owning shares of our capital stock in excess of the ownership limit will result in the intended transferee acquiring no rights in such shares (with certain exceptions) and the person s shares will be deemed transferred to an escrow agent to be held until the shares are transferred to a person whose ownership of the shares will not violate the ownership limit. These provisions prevent a third party from obtaining control of our company without obtaining the prior approval of our continuing directors or the 75% supermajority vote required to amend these provisions of our articles of incorporation and may have the effect of discouraging or even preventing a merger or business combination, a tender offer or similar extraordinary transaction involving us.

Certain Other Provisions of Our Articles of Incorporation and Bylaws

Certain other provisions of our articles of incorporation and bylaws may delay or make more difficult unsolicited acquisitions or changes of control of us. These provisions could have the effect of discouraging third parties from making proposals involving an unsolicited acquisition or change in control of us, although these proposals, if made, might be considered desirable by a majority of our shareholders. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of the current management without the concurrence of the board of directors. These provisions include:

the division of the board of directors into three classes serving staggered terms of office of three years;

provisions allowing the removal of directors only upon a 66% shareholder vote or upon the affirmative vote of both a majority of all directors and a majority of continuing directors (as defined in our articles of incorporation);

provisions limiting the maximum number of directors to 19, and requiring that any increase in the number of directors then in effect must be approved by a majority of continuing directors;

permitting only the board of directors, the Chairman, the Chief Executive Officer or the President to call a special meeting of shareholders;

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requirements for a 75% supermajority vote of our shareholders to amend certain provisions of our articles of incorporation, including those provisions discussed in this section; and

requirements for advance notice for raising business or making nominations at shareholders meetings.

Our bylaws establish an advance notice procedure with regard to business to be brought before an annual or special meeting of shareholders and with regard to the nomination of candidates for election as directors, other than by or at the direction of the board of directors. Although our bylaws do not give the board of directors any power to approve or disapprove shareholder nominations for the election of directors or proposals for action, they may have the effect of precluding a contest for the election of directors or the consideration of shareholder proposals if the established procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its proposal without regard to whether consideration of those nominees or proposals might be harmful or beneficial to us and our shareholders.

Our articles of incorporation provide that, in the case of a merger, sale or purchase of assets, issuance of securities or reclassification, each a business combination, involving a beneficial owner of 10% or more of the voting power of our capital stock (a related person), or any affiliate or associate of a related person, such business combination must be approved by (1) 66% of the voting power of our outstanding voting stock and (2) a majority of the then outstanding voting power of the voting stock held by shareholders other than the related person. However, these shareholder approval requirements do not apply if the business combination is approved prior to the time that the related person became a related person by at least two-thirds of the continuing directors (as defined in our articles of incorporation) or the consideration to be received by shareholders in the business combination is at least equal to the higher of the highest price paid by the related person in acquiring its interest in our company, with specified adjustments, or the fair market value determined by the closing price during the previous thirty-day period and some other requirements are met.

Certain Provisions of Indiana Law

Demutualization

Under the Indiana demutualization law, for a period of five years following the effective date of the demutualization (November 2, 2001), no person may acquire beneficial ownership of 5% or more of the outstanding shares of our common stock without the prior approval of the Indiana Insurance Commissioner and our board of directors.

This restriction does not apply to acquisitions made by us or made pursuant to an employee benefit plan or employee benefit trust sponsored by us. The Indiana Insurance Commissioner has adopted rules under which passive institutional investors could purchase 5% or more but less than 10% of any outstanding common stock with the approval of our board of directors and prior notice to the Indiana Insurance Commissioner.

Certain Provisions of the Indiana Business Corporation Law

In addition, under specified circumstances, the following provisions of the Indiana Business Corporation Law, or IBCL, may delay, prevent or make more difficult unsolicited acquisition or changes of control of our company. These provisions also may have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions which shareholders may otherwise deem to be in their best interests.

Control Share Acquisitions. Under Sections 23-1-42-1 to 23-1-42-11 of the IBCL, an acquiring person or group who makes a control share acquisition in an issuing public corporation may not exercise voting rights on any control shares unless these voting rights are conferred by a majority vote of the disinterested shareholders of the issuing corporation at a special meeting of those shareholders held upon the request and at the expense of the acquiring person. If control shares acquired in a control share acquisition are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of all voting power, all shareholders of the

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issuing public corporation have dissenters rights to receive the fair value of their shares pursuant to Section 23-1-44 of the IBCL.

Under the IBCL, control shares means shares acquired by a person that, when added to all other shares of the issuing public corporation owned by that person or in respect to which that person may exercise or direct the exercise of voting power, would otherwise entitle that person to exercise voting power of the issuing public corporation in the election of directors within any of the following ranges:

one-fifth or more but less than one-third;

one-third or more but less than a majority; or

a majority or more.

Control share acquisition means, subject to specified exceptions, the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares. For the purposes of determining whether an acquisition constitutes a control share acquisition, shares acquired within 90 days or under a plan to make a control share acquisition are considered to have been acquired in the same acquisition. Issuing public corporation means a corporation which is organized in Indiana and has (i) 100 or more shareholders, (ii) its principal place of business, its principal office or substantial assets within Indiana and (iii) either:

more than 10% of its shareholders resident in Indiana;

more than 10% of its shares owned by Indiana residents; or

10,000 shareholders resident in Indiana.

The above provisions do not apply if, before a control share acquisition is made, the corporation s articles of incorporation or bylaws, including a board adopted by-law, provide that they do not apply. Our articles of incorporation and bylaws do not currently exclude us from the restrictions imposed by the above provisions.

Certain Business Combinations. Sections 23-1-43-1 to 23-1-43-24 of the IBCL restrict the ability of a resident domestic corporation to engage in any combinations with an interested shareholder for five years after the date the interested shareholder became such, unless the combination or the purchase of shares by the interested shareholder on the interested shareholder s date of acquiring shares is approved by the board of directors of the resident domestic corporation before that date. If the combination was not previously approved, the interested shareholder may effect a combination after the five-year period only if that shareholder receives approval from a majority of the disinterested shares or the offer meets specified fair price criteria. For purposes of the above provisions, resident domestic corporation means an Indiana corporation that has 100 or more shareholders. Interested shareholder means any person, other than the resident domestic corporation or its subsidiaries, who is (1) the beneficial owner, directly or indirectly, of 10% or more of the voting power of the outstanding voting shares of the resident domestic corporation or (2) an affiliate or associate of the resident domestic corporation, which at any time within the five-year period immediately before the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding shares of the resident domestic corporation. The above provisions do not apply to corporations that so elect in an amendment to their articles of incorporation approved by a majority of the disinterested shares. That amendment, however, cannot become effective until 18 months after its passage and would apply only to share acquisitions occurring after its effective date. Our articles of incorporation do not exclude us from the restrictions imposed by the above provisions.

Directors Duties and Liability. Under Section 23-1-35-1 of the IBCL, directors are required to discharge their duties:

in good faith;

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with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

in a manner the directors reasonably believe to be in the best interests of the corporation.

However, the IBCL also provides that a director is not liable for any action taken as a director, or any failure to act, unless the director has breached or failed to perform the duties of the director s office and the action or failure to act constitutes willful misconduct or recklessness.

The exoneration from liability under the IBCL does not affect the liability of directors for violations of the federal securities laws.

Section 23-1-35-1 of the IBCL also provides that a board of directors, in discharging its duties, may consider, in its discretion, both the long-term and short-term best interests of the corporation, taking into account, and weighing as the directors deem appropriate, the effects of an action on the corporation s shareholders, employees, suppliers and customers and the communities in which offices or other facilities of the corporation are located and any other factors the directors consider pertinent. If a determination is made with the approval of a majority of the disinterested directors of the board, that determination is conclusively presumed to be valid unless it can be demonstrated that the determination was not made in good faith after reasonable investigation. Once the board, in exercising its business judgment, has determined that a proposed action is not in the best interests of the corporation, it has no duty to remove any barriers to the success of the action, including a shareholder rights plan. Section 23-1-35-1 specifically provides that specified judicial decisions in Delaware and other jurisdictions, which might be looked upon for guidance in interpreting Indiana law, including decisions that propose a higher or different degree of scrutiny in response to a proposed acquisition of the corporation, are inconsistent with the proper application of the business judgment rule under that section.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is EquiServe Trust Company, N.A.

DESCRIPTION OF THE WARRANTS

This section describes the general terms and provisions of the warrants that we may offer pursuant to this prospectus. The applicable prospectus supplement will describe the specific terms of the warrants then offered, and the terms and provisions described in this section will apply only to the extent not superceded by the terms of the applicable prospectus supplement.

We may issue warrants for the purchase of senior debt securities, subordinated debt securities, preferred stock or common stock. Warrants may be issued alone or together with senior debt securities, subordinated debt securities, preferred stock or common stock offered by any prospectus supplement and may be attached to or separate from those securities. Each series of warrants will be issued under warrant agreements between us and a bank or trust company, as warrant agent, which will be described in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants and will not act as an agent or trustee for any holders or beneficial holders of warrants.

This section summarizes the general terms and provisions of the forms of warrant agreements and warrant certificates. Because this is only a summary, it does not contain all of the details found in the full text of the warrant agreements and the warrant certificates. We urge you to read the applicable form of warrant agreement and the form of warrant certificate that we will file in relation to an issue of any warrants.

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General

If warrants for the purchase of debt securities are offered, the applicable prospectus supplement will describe the terms of those warrants, including the following if applicable:

- the offering price;
- the currencies in which the warrants are being offered;
- the designation, aggregate principal amount, currencies, denominations and terms of the series of the senior debt securities or subordinated debt securities that can be purchased upon exercise;
- the designation and terms of any series of senior debt securities or subordinated debt securities with which the warrants are being offered and the number of warrants offered with each debt security;
- the date on and after which the holder of the warrants can transfer them separately from the series of senior debt securities or subordinated debt securities;
- the principal amount of the series of senior debt securities or subordinated debt securities that can be purchased upon exercise and the price at which and currencies in which the principal amount may be purchased upon exercise;
- the date on which the right to exercise the warrants begins and the date on which the right expires;
- a discussion of material United States federal income tax considerations applicable to the warrants; and
- any other terms of the warrants.

Unless the applicable prospectus supplement provides otherwise, warrants for the purchase of debt securities will be in registered form only. Until any warrants to purchase senior debt securities or subordinated debt securities are exercised, the holder of the warrants will not have any of the rights of holders of the debt securities that can be purchased upon exercise, including any right to receive payments of principal, premium or interest on the underlying debt securities or to enforce covenants in the applicable indenture.

If warrants for the purchase of preferred stock or common stock are offered, the applicable prospectus supplement will describe the terms of those warrants, including the following if applicable:

- the offering price;
- the total number of shares that can be purchased upon exercise and, in the case of warrants for preferred stock, the designation, total number and terms of the series of preferred stock that can be purchased upon exercise;
- the designation and terms of the series of preferred stock with which the warrants are being offered and the number of warrants being offered with each share of preferred stock or share of common stock;
- the date on and after which the holder of the warrants can transfer them separately from the related common stock or series of preferred stock;
- the number of shares of preferred stock or shares of common stock that can be purchased upon exercise and the price at which the preferred stock or common stock may be purchased upon exercise;
- the date on which the right to exercise the warrants begins and the date on which that right expires;

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United States federal income tax consequences; and

any other terms of the warrants.

Unless the applicable prospectus supplement provides otherwise, warrants for the purchase of preferred stock or common stock will be in registered form only. Until any warrants to purchase preferred stock or common stock are exercised, holders of the warrants will not have any rights of holders of the underlying preferred stock or common stock, including any right to receive dividends or to exercise any voting rights.

A holder of warrant certificates may:

exchange them for new certificates of different denominations;

present them for registration of transfer; and

exercise them at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement.

Exercise of Warrants

Each holder of a warrant is entitled to purchase the principal amount of senior debt securities or subordinated debt securities or the number of shares of preferred stock or common stock at the exercise price described in the applicable prospectus supplement. After the close of business on the day when the right to exercise terminates, or a later date if we extend the time for exercise, unexercised warrants will become void.

Unless the applicable prospectus supplement provides otherwise, a holder of warrants may exercise them by following the general procedure outlined below:

delivering to the warrant agent the payment required by the applicable prospectus supplement to purchase the underlying security;

properly completing and signing the reverse side of the warrant certificate representing the warrants; and

delivering the warrant certificate representing the warrants to the warrant agent within five business days of the warrant agent receiving payment of the exercise price.

If you comply with the procedures described above, your warrants will be considered to have been exercised when the warrant agent receives payment of the exercise price. After you have completed those procedures, we will, as soon as practicable, issue and deliver to you the senior debt securities, subordinated debt securities, preferred stock or common stock that you purchased upon exercise. If you exercise fewer than all of the warrants represented by a warrant certificate, a new warrant certificate will be issued to you for the unexercised amount of warrants. Holders of warrants will be required to pay any tax or governmental charge that may be imposed in connection with transferring the underlying securities in connection with the exercise of the warrants.

Amendments and Supplements to Warrant Agreements

Unless the applicable prospectus supplement provides otherwise, the following describes generally the provisions relating to amending and supplementing the warrant agreements.

We may amend or supplement a warrant agreement without the consent of the holders of the applicable warrants if the changes are not inconsistent with the provisions of the warrants and do not materially adversely affect the interests of the holders of the warrants. We and the warrant agent may also modify or amend a warrant agreement and the terms of the warrants if a majority of the then outstanding unexercised warrants affected by the modification or amendment consent. However, no modification or amendment that accelerates the expiration date, increases the exercise price, reduces the majority consent requirement for any modification or amendment or

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otherwise materially adversely affects the rights of the holders of the warrants may be made without the consent of each holder affected by the modification or amendment.

Warrant Adjustments

The warrant certificate and the applicable prospectus supplement will describe the events requiring adjustment to the warrant exercise price or the number or principal amount of securities issuable upon exercise of the warrant.

DESCRIPTION OF PURCHASE CONTRACTS AND PURCHASE UNITS

Purchase Contracts

We may issue purchase contracts for the purchase and sale of, or whose cash value is determined by reference or linked to the performance, level or value of, our securities, including our common or preferred stock or other debt or equity securities described in this prospectus.

We refer to each security described above as a purchase contract security. Each purchase contract will obligate:

- the holder to purchase or sell, and obligate us to sell or purchase, on specified dates, one or more purchase contract securities at a specified price or prices; or
- the holder or us to settle the purchase contract by reference to the value, performance or level of one or more purchase contract securities, on specified dates and at a specified price or prices.

Some purchase contracts may include multiple obligations to purchase or sell different purchase contract securities, and both we and the holder may be sellers or buyers under the same purchase contract. No holder of a purchase contract will have the rights of a holder of the underlying security under the contract, including any right to receive payments on that security, until the purchase contract is exercised.

The prospectus supplement will contain, where applicable, the following information about the purchase contract:

- whether the purchase contract obligates the holder to purchase or sell, or both purchase and sell, one or more purchase contract securities and the nature and amount of each of those securities, or the method of determining those amounts;
- whether the purchase contract is to be settled by delivery, or by reference or linkage to the value, performance or level of, the purchase contract securities;
- any acceleration, cancellation, termination or other provisions relating to the settlement of the purchase contract;
- whether the purchase contract will be issued as part of a unit and, if so, the other securities comprising the unit; and
- whether the purchase contract will be issued in fully registered or bearer form and in global or non-global form.

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Purchase Units

The purchase contracts may be issued separately or as part of units consisting of a purchase contract and our debt securities or preferred stock, securing the holders obligations to purchase the purchase contract security. These units are called purchase units. If we issue a purchase contract as part of a unit, the accompanying prospectus supplement will state whether the contract will be separable from the other securities in the unit before the contract settlement date. The purchase contracts may require us to make periodic payments to the holders of the purchase units or vice versa, and these payments may be unsecured or refunded on some basis. The purchase contracts may require holders to secure their obligations under the purchase contracts in a specified manner.

The applicable prospectus supplement will describe the terms of the purchase contracts or purchase units. A copy of the purchase agreement will be filed with the SEC in connection with the offering of purchase contracts and purchase units. The description in the prospectus supplement will not necessarily be complete, and you should read the purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the purchase contracts or purchase units.

PLAN OF DISTRIBUTION

We may sell the securities offered by this prospectus:

to one or more underwriters or dealers for public offering;

through agents;

directly to purchasers; or

through a combination of any of these methods of sale.

The name of any underwriter, dealer or agent involved in the offer and sale of the securities, the amounts underwritten and the nature of its obligation to take the securities will be stated in the applicable prospectus supplement. We have reserved the right to sell the securities directly to investors on our own behalf in those jurisdictions where we are authorized to do so. The sale of the securities may be effected in transactions:

on any securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;

in the over-the-counter market;

in transactions otherwise than on such exchanges or in the over-the-counter market; or

through the writing of options.

In addition, we may issue the securities as a dividend or distribution or in a subscription rights offering to our existing security holders. In some cases, we or dealers acting with us or on our behalf may also purchase securities and reoffer them to the public by one or more of the methods described above. This prospectus may be used in connection with any offering of our securities through any of these methods or other methods described in the applicable prospectus supplement.

We, our agents and underwriters may offer and sell the securities at a fixed price or prices that may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices. The securities may be offered on an exchange, which will be disclosed in the applicable prospectus supplement. We may, from time to time, authorize dealers, acting as our agents, to offer and sell the securities upon terms and conditions as set forth in the applicable prospectus supplement.

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If we use underwriters to sell securities, we will enter into an underwriting agreement with them at the time of the sale to them. In connection with the sale of the securities, underwriters may receive compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of the securities for whom they may act as agent. Any underwriting compensation paid by us to underwriters or agents in connection with the offering of the securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement to the extent required by applicable law. Underwriters may sell the securities to or through dealers, and dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions, which may be changed from time to time, from the purchasers for whom they may act as agents.

Dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended, or the Securities Act. Unless otherwise indicated in the applicable prospectus supplement, an agent will be acting on a best efforts basis, and a dealer will purchase debt securities as a principal, and may then resell the debt securities at varying prices to be determined by the dealer.

If so indicated in the applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by specified institutions to purchase offered securities from us at the public offering price set forth in that prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. These delayed delivery contracts will be subject to any conditions set forth in the applicable prospectus supplement, and that prospectus supplement will set forth the commission payable for solicitation of those contracts. The underwriters and other persons soliciting those contracts will have no responsibility for the validity or performance of any of those contracts.

If we offer securities in a subscription rights offering to our existing security holders, we may enter into a standby underwriting agreement with dealers, acting as standby underwriters. We may pay the standby underwriters a commitment fee for the securities they commit to purchase on a standby basis. If we do not enter into a standby underwriting arrangement, we may retain a dealer-manager to manage a subscription rights offering for us.

Underwriters, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution towards certain civil liabilities, including any liabilities under the Securities Act.

To facilitate the offering of securities, some persons participating in the offering may engage in transactions that stabilize, maintain, or otherwise affect the price of the securities. These may include over-allotment, stabilization, syndicate, short covering transactions and penalty bids. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions involve bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate short covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the underwriters to reclaim selling concessions from dealers when the securities originally sold by the dealers are purchased in covering transactions to cover syndicate short positions. These transactions may cause the price of the securities sold in an offering to be higher than it would otherwise be. These transactions, if commenced, may be discontinued by the underwriters at any time.

Any securities other than our common stock issued by us under this prospectus may be new issues of securities with no established trading market. Any underwriters or agents to or through whom these securities are sold for public offering and sale may make a market in these securities, but the underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any of these securities. The amount of expenses expected to be incurred by us in connection with any issuance of securities will be set forth in the applicable prospectus supplement. Some of the underwriters, dealers or agents and their associates may engage in transactions with, and perform services for, us and some of our affiliates in the ordinary course of our business or otherwise.

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LEGAL OPINION

Baker & Daniels, Indianapolis, Indiana, will issue an opinion about the validity of the offered securities for us. Any underwriters will be advised about other issues relating to any offering by their own legal counsel.

EXPERTS

The consolidated financial statements of Anthem, Inc. appearing in the Company s Annual Report (Form 10-K) for the year ended December 31, 2001 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report, given on the authority of such firm as experts in accounting and auditing.

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item. 14. Other Expenses of Issuance and Distribution.

The fees and expenses (not including underwriting discounts and commissions) payable by the registrant in connection with the issuance and distribution of the securities being registered hereby are set forth in the following table. All such fees and expenses, other than the Securities and Exchange Commission registration fee, are estimated and subject to future contingencies:

Securities and Exchange Commission registration fee	$ 92,000
Trustee s, Warrant Agent s and Purchase Contract Agent s fees and expenses	50,000
Printing expenses	50,000
Rating agency fees	350,000
Accounting fees and expenses	50,000
Legal fees and expenses	100,000
Blue sky fees and expenses	20,000
Miscellaneous expenses	20,000
Total	$ 732,000

Item 15. Indemnification of Directors and Officers.

The Indiana Business Corporation Law (the IBCL) provides that a corporation, unless limited by its articles of incorporation, is required to indemnify its directors and officers against reasonable expenses incurred in the successful defense of any proceeding arising out of their serving as a director or officer of the corporation.

As permitted by the IBCL, Anthem, Inc. s (Anthem) articles of incorporation provide for indemnification of directors, officers, employees and agents of Anthem against any and all liability and reasonable expense that may be incurred by them, arising out of any claim or action, civil, criminal, administrative or investigative, in which they may become involved by reason of being or having been a director, officer, employee or agent. To be entitled to indemnification, those persons must have been wholly successful in the claim or action or the board of directors must have determined, based upon a written finding of legal counsel or another independent referee, or a court of competent jurisdiction must have determined, that such persons acted in good faith in what they reasonably believed to be the best interest of Anthem (or at least not opposed to its best interests) and, in addition, in any criminal action, had reasonable cause to believe their conduct was lawful (or had no reasonable cause to believe that their conduct was unlawful). The articles of incorporation authorize Anthem to advance funds for expenses to an indemnified person, but only upon receipt of an undertaking that he or she will repay the same if it is ultimately determined that such party is not entitled to indemnification.

The rights of indemnification provided by the articles of incorporation of Anthem are not exhaustive and are in addition to any rights to which a director or officer may otherwise be entitled by contract or as a matter of law. Irrespective of the provisions of the articles of incorporation of Anthem, Anthem may, at any time and from time to time, indemnify directors, officers, employees and other persons to the full extent permitted by the provisions of applicable law at the time in effect, whether on account of past or future transactions.

In addition, Anthem has obtained a directors and officers liability and company reimbursement policy that insures against certain liabilities under the Securities Act of 1933, subject to applicable retentions.

Item 16. Exhibits.

The list of exhibits is incorporated by reference to the Exhibit Index on page E-1.

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Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, State of Indiana, on December 17, 2002.

ANTHEM, INC.

By: /S/ Larry C. Glasscock

Larry C. Glasscock
President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby authorizes Larry C. Glasscock, David R. Frick and Michael L. Smith or any of them, each with full power of substitution, to execute in the name and on behalf of such person any amendment to this Registration Statement, including post-effective amendments, and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 and to file the same, with exhibits thereto, and other documents in connection therewith, making such changes in this Registration Statement as the Registrant deems appropriate, and appoints Larry C. Glasscock, David R. Frick and Michael L. Smith, or any of them, each with full power of substitution, attorney-in-fact to sign any amendment to this Registration Statement, including post-effective amendments, and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 and to file the same, with exhibits thereto, and other documents in connection therewith.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in their respective capacities and on the dates indicated

Signature	Title	Date
/S/ Larry C. Glasscock **Larry C. Glasscock**	President, Chief Executive Officer and Director (Principal Executive Officer)	December 17, 2002
/S/ Michael L. Smith **Michael L. Smith**	Executive Vice President and Chief Financial and Accounting Officer (Principal Financial and Principal Accounting Officer)	December 17, 2002
/S/ L. Ben Lytle **L. Ben Lytle**	Director	December 17, 2002
/S/ Lenox D. Baker, Jr., M.D. **Lenox D. Baker, Jr., M.D.**	Director	December 17, 2002
/S/ Susan B. Bayh **Susan B. Bayh**	Director	December 17, 2002
/S/ William B. Hart **William B. Hart**	Director	December 17, 2002

/S/ Allan B. Hubbard	Director	December 17, 2002

Allan B. Hubbard

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Signature	Title	Date
/S/ Victor S. Liss **Victor S. Liss**	Director	December 17, 2002
/S/ William G. Mays **William G. Mays**	Director	December 17, 2002
/S/ James W. McDowell, Jr. **James W. McDowell, Jr.**	Director	December 17, 2002
/S/ B. LaRae Orullian **B. LaRae Orullian**	Director	December 17, 2002
/S/ Senator Donald W. Riegle, Jr. **Senator Donald W. Riegle, Jr.**	Director	December 17, 2002
/S/ William J. Ryan **William J. Ryan**	Director	December 17, 2002
/S/ George A. Schaefer, Jr. **George A. Schaefer, Jr.**	Director	December 17, 2002
/S/ John Sherman, Jr. **John Sherman, Jr.**	Director	December 17, 2002
/S/ Dennis J. Sullivan, Jr. **Dennis J. Sullivan, Jr.**	Director	December 17, 2002
/S/ Jackie M. Ward **Jackie M. Ward**	Director	December 17, 2002

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INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
1*	Form of Underwriting Agreement
3.1	Restated Articles of Incorporation of Anthem, Inc. (incorporated herein by reference to Exhibit 3.1 to Anthem, Inc. s Registration Statement on Form S-1 (Registration No. 333-67714))
3.2	Bylaws of Anthem, Inc. (incorporated herein by reference to Exhibit 3.2 to Anthem, Inc. s Registration Statement on Form S-1 (Registration No. 333-67714))
4.1	Form of certificate for the common stock, $0.01 par value per share, of Anthem, Inc. (incorporated herein by reference to Exhibit 4.1 to Anthem, Inc. s Registration Statement on Form S-1 (Registration No. 333-67714))
4.16	Form of Indenture by and between Anthem, Inc. and The Bank of New York, as trustee, relating to the senior debt securities
4.17	Form of Indenture by and between Anthem, Inc. and The Bank of New York, as trustee, relating to the subordinated debt securities
4.18*	Form of Supplemental Indenture relating to senior debt securities
4.19*	Form of Supplemental Indenture relating to subordinated debt securities
4.20*	Form of Senior Debt Security
4.21*	Form of Subordinated Debt Security
4.22*	Form of Articles of Amendment for Preferred Stock
4.23*	Form of Preferred Stock Certificate
4.24*	Form of Common Stock Warrant Agreement
4.25*	Form of Common Stock Warrant Certificate
4.26*	Form of Preferred Stock Warrant Agreement
4.27*	Form of Preferred Stock Warrant Certificate
4.28*	Form of Debt Securities Warrant Agreement
4.29*	Form of Debt Securities Warrant Certificate
4.30*	Form of Purchase Contract Agreement
5	Opinion of Baker & Daniels
12.1	Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of Ernst & Young LLP
23.2	Consent of Baker & Daniels (included in Exhibit 5)
24	Powers of Attorney (included on the Signature Page)
25.1	Statement of Eligibility on Form T-1 of The Bank of New York to act as trustee under the senior indenture
25.2	Statement of Eligibility on Form T-1 of The Bank of New York to act as trustee under the subordinated indenture

*To be incorporated by reference herein by a Current Report on Form 8-K.