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## ARKANSAS SECURITIES DEPARTMENT

June 25, 2001

Jason D. Kimpel  
Baker & Daniels  
300 North Meridian Street, Suite 2700  
Indianapolis, Indiana 46204-1782

RE: Anthem Insurance Companies, Inc.  
No Action # 01 - 004

Dear Mr. Kimpel:

The Arkansas Securities Department is in receipt of your letter dated June 1, 2001, requesting that the Arkansas Securities Department adopt a no-action position with respect to a proposed conversion from a mutual insurance company to a stock insurance company by Anthem Insurance Companies, Inc. ("Anthem" or "Company"). You refer to the conversion throughout your letter as the demutualization. The facts as set forth in your letter describe the demutualization of a mutual life insurance company to be achieved by a reorganization incident to a class vote of all policy holders or members, subject to approval by the Indiana Insurance Commissioner.

Rule 504.01(A)(12)(g) of the Rules of the Arkansas Securities Commissioner ("Rules") promulgated under Ark. Code Ann. §23-42-504(a)(12) provides for a transactional exemption from securities registration for "any transaction incident to a class vote by security holders or members, pursuant to the certificate of incorporation, organization document or the applicable statute on a merger, consolidation, reclassification of securities, sale of assets in consideration of the issuance of securities of another entity, or reorganization." It is the opinion of the staff that the transaction as described in your letter constitutes a "reorganization" as that term is defined in Rule 102.01(29) of the Rules.

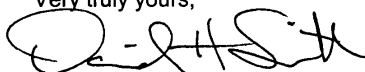
Ark. Code Ann. §23-42-102(2)(B)(i)(e) excludes from the definition of "agent" an individual representing an issuer in effecting transactions involving a reorganization so long as the person is not employed for the primary purpose of obtaining the required means of approval from the security holders and receives no compensation other than his regular salary and actual expenses. Therefore, the Anthem Associates, ISFs, Call Center Personnel and the Insurance Brokers identified in your letter are not required to register under the Act as agents in order to effect the transactions as described provided no commission or compensation is paid for effecting the transactions.

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The staff will not recommend enforcement action to the Commissioner if the transactions identified in your letter occur as set forth without prior registration of the securities or employees offering them. Please note that the position of the Department is based solely upon the representations made to us in your letter and applies only to the transactions identified therein. Different facts or circumstances might, and often would, require a different response. The position expressed deals only with anticipated enforcement action by this Department and does not purport to be a legal opinion.

Any questions or additional issues concerning this matter may be directed to the undersigned at (501) 324-8694.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. H. Smith", written in a cursive style.

David H. Smith  
Staff Attorney