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Anthem, Inc.
Form 10-Q
July 25, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2018

OR

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

For the transition period from _____ to _____

Commission file number: 001-16751

ANTHEM, INC.

(Exact name of registrant as specified in its charter)

INDIANA 35-2145715

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

120 MONUMENT CIRCLE
INDIANAPOLIS, INDIANA 46204-4903
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (800) 331-1476

Not Applicable

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

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

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

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

Title of Each Class Outstanding at July 12, 2018

Common Stock, \$0.01 par value 259,953,678 shares

Anthem, Inc.
 Quarterly Report on Form 10-Q
 For the Period Ended June 30, 2018
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Anthem, Inc.

Consolidated Balance Sheets

	June 30, 2018	December 31, 2017
	(Unaudited)	
(In millions, except share data)		
Assets		
Current assets:		
Cash and cash equivalents	\$4,682.0	\$ 3,608.9
Fixed maturity securities, current (amortized cost of \$17,152.7 and \$17,054.5)	17,081.6	17,377.3
Equity securities, current	2,435.3	3,599.2
Other invested assets, current	23.8	17.2
Accrued investment income	161.6	162.5
Premium receivables	4,268.3	3,605.2
Self-funded receivables	2,650.0	2,579.7
Other receivables	2,182.6	2,266.5
Income taxes receivable	154.5	341.9
Securities lending collateral	624.6	455.1
Other current assets	3,106.1	2,249.3
Total current assets	37,370.4	36,262.8
Long-term investments:		
Fixed maturity securities (amortized cost of \$489.7 and \$556.0)	487.5	560.8
Equity securities	32.9	32.8
Other invested assets	3,495.2	3,343.8
Property and equipment, net	2,392.2	2,174.9
Goodwill	20,414.5	19,231.2
Other intangible assets	9,224.3	8,368.4
Other noncurrent assets	950.4	565.3
Total assets	\$74,367.4	\$ 70,540.0
Liabilities and shareholders' equity		
Liabilities		
Current liabilities:		
Policy liabilities:		
Medical claims payable	\$7,545.3	\$ 7,991.5
Reserves for future policy benefits	72.1	69.9
Other policyholder liabilities	3,009.8	2,950.3
Total policy liabilities	10,627.2	11,011.7
Unearned income	2,089.9	860.3
Accounts payable and accrued expenses	5,931.4	5,024.4
Security trades pending payable	159.9	112.6
Securities lending payable	624.3	454.4
Short-term borrowings	1,120.0	1,275.0
Current portion of long-term debt	650.2	1,274.6
Other current liabilities	3,302.8	3,343.0
Total current liabilities	24,505.7	23,356.0
Long-term debt, less current portion	17,515.4	17,382.2
Reserves for future policy benefits, noncurrent	644.7	647.3

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Deferred tax liabilities, net	1,902.2	1,726.5
Other noncurrent liabilities	1,074.4	925.1
Total liabilities	45,642.4	44,037.1
Commitment and contingencies – Note 11		
Shareholders' equity		
Preferred stock, without par value, shares authorized – 100,000,000; shares issued and outstanding – none	—	—
Common stock, par value \$0.01, shares authorized – 900,000,000; shares issued and outstanding – 260,132,949 and 256,084,913	2.6	2.6
Additional paid-in capital	9,747.9	8,547.4
Retained earnings	19,757.3	18,054.4
Accumulated other comprehensive loss	(782.8)	(101.5)
Total shareholders' equity	28,725.0	26,502.9
Total liabilities and shareholders' equity	\$74,367.4	\$70,540.0
See accompanying notes.		

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Anthem, Inc.
 Consolidated Statements of Income
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
(In millions, except per share data)	2018	2017	2018	2017
Revenues				
Premiums	\$21,248.4	\$20,813.1	\$42,151.2	\$41,764.4
Administrative fees and other revenue	1,466.4	1,384.9		