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## WellPoint, Inc., Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

We will now begin the question and answer session. (Operator Instructions). Our first question comes from the line of John Rex from J.P. Morgan.

#### John Rex - J.P. Morgan

I just want to focus on your commentary you said being consistent about for '09 pricing that would anticipate something above all in trend; can you give us a rough estimate of what you're talking about when you say above all in trend, are we talking about 10 basis points, are we talking about 150 basis points; just a magnitude that you're anticipating now in that positive spread?

#### Wayne S. DeVeydt

We talked about it on our third quarter call that we obviously thought we were seeing rising trend although in terms of our pricing for '09, but at the same time we thought we were beginning to see some deceleration of that. Clearly for the current year, we now believe we're slightly less than 8% on trend. I still think it'll be 8% plus or minus 50 for next year, but I would say right now that we're not ready to declare that the trend has slowed down or we've maintained our higher pricing levels. That being said, we did do a market by market analysis where we thought it was appropriate to maintain those slightly higher levels, but John, as you know in a tough economy like we have right now and a very competitive environment, we're not talking anything near of 100 basis points or more. It's slightly above trend.

#### John Rex - J.P. Morgan

Would this be fair to assume, at least as a target rate, that you're targeting at 50 basis point positive spread?

#### Wayne S. DeVeydt

In total we know we're trying to ultimately finalize for the year so that I can tell you whether we're over by 50 or 10 or 20. Again, I would say that we're priced slightly above trend, we feel comfortable with that, and early indication would be positive relative to that, but until we see how the economy reacts, and the fact is with the economic downturn, you could get some adverse selection and so we have baked some of that in as well. Again, we'll see what ultimately happens and we'll provide more updates in the first quarter call.

#### Operator

Your next question comes from the line of Justin Lake from UBS.

**Justin Lake - UBS**

My question is around the membership guidance for '09; I know you are not talking to specific numbers, but you did mention that you expect a deteriorating economy and therefore double-digit unemployment in certain states; I just want to get a little more specificity around that. Can you give us an idea of where you think you're weighted average unemployment rate is coming out of 2008, and which are single-digit EPS growth guidance embedded for unemployment on a weighted average basis for 2009.

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