

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS INC.**

Adopted _____

ARTICLE I

Shareholders

Section 1. Annual meetings of the shareholders shall be held before the end of May of each year, at such time and at such place within or without the State of Kansas as shall be specified in the notice of said meeting.

Section 2. Special meetings of the shareholders of the Corporation may be called at any time by the Board of Directors, President of the Corporation, or shareholders holding not less than twenty-five percent (25%) of all shares of all classes outstanding and entitled to vote at the meeting. Such meeting shall be held at such time and place, within or without the State of Kansas, as shall be specified by the caller or callers of the meeting in the notice thereof.

Section 3. A written notice, stating the place, day and time of any meeting of the shareholders, and in the case of a special meeting the purpose or purposes for which such meeting is called, shall be delivered or mailed by the Secretary of the Corporation or by the persons calling the meeting, to each shareholder of record of the Corporation entitled to vote at such meeting at least ten (10) days before the date of the meeting. Such notice, if mailed, shall be mailed, postage prepaid, to each shareholder at his post office address as the same appears upon the records of the Corporation. Notice of shareholders' meetings may be waived in writing by any shareholder or by his proxy, if authorized to do so, if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Each shareholder who has in the manner above provided waived notice of a shareholders' meeting or who personally

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

or by proxy attends a shareholders' meeting shall be conclusively presumed to have been given due notice of such meeting.

Section 4. Each share of the voting capital stock of the Corporation represented in person or by proxy at any annual or special meeting of shareholders shall entitle the record holder thereof, or his proxy, to one vote upon each question which comes before the meeting.

Section 5. At any meeting of shareholders, a majority of the shares of the outstanding capital stock of the Corporation entitled to vote at such meeting, represented at the meeting in person or by proxy, shall constitute a quorum. Any meeting of shareholders may be adjourned to a later date even if less than a quorum is present.

Section 6. At all meetings of shareholders, all questions shall be determined by a majority vote (or such greater vote as specifically required hereunder) of the shares present in person or represented by proxy at the meetings.

Section 7. Except for meetings held within 30 days of the initial issuance of stock of the Corporation, only such persons shall be entitled to vote, in person or by proxy, at any shareholders' meeting as shall appear as shareholders upon the books of the Corporation at least 30 days, but less than 60 days, immediately preceding the meeting.

Section 8. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by a duly authorized attorney-in-fact. Proxies may be limited to a particular meeting or may be general and authorize the person named in the proxy to represent the shareholder at any meeting of shareholders held within the time specified therein. Any proxy may authorize the person named therein to receive, or to waive, notice of any shareholders' meeting within the effective period of such proxy. Such proxy shall be lodged with the Secretary.

Section 9. The shareholders shall elect directors at their annual meeting, or at a special meeting called for the purpose of electing a director to fill a vacancy or to elect

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

a Board of Directors following the initial issuance of stock of the Corporation. Additionally, any or all of the members of the Board of Directors may be removed, without cause, at a meeting of the shareholders called expressly for that purpose, by a vote of the holders of a two-thirds majority of the shares then entitled to vote at an election of Directors, who must immediately thereafter elect at least one new director by majority vote. No Director shall be removed without cause by the shareholders, except as provided in this Section.

Section 10. Any action required or permitted to be taken at any meeting of shareholders may be taken without a meeting if, prior to such action, a written consent thereto is signed by all of the shareholders entitled to vote thereon and such consent is thereafter filed with the minutes of the proceedings of the shareholders.

ARTICLE II

Directors

Section 1. The business of the Corporation shall be managed by a Board of Directors. The number of Directors shall be no fewer than three and no more than twenty-nine, as fixed by the Board of Directors from time to time.

Section 2. Directors shall be elected for one year and shall hold office until their respective successors shall have been elected and qualified. Any vacancy occurring in the Board of Directors, from whatever cause arising, may be filled by selection of a successor by the shareholders, the term of which successor shall extend until the next annual meeting (or special meeting called for that purpose) of the shareholders, pursuant to Article I, Section 9, and until his successor shall have been elected and shall have qualified. The Directors and each of them shall have no authority to bind the Corporation except when acting as a Board.

Section 3. A majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

Directors present at the meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation of the Corporation, or these By-Laws.

Section 4. The Board of Directors shall meet without notice immediately following the annual meeting of the shareholders. The purposes of this meeting shall include the election of officers for the ensuing year, and the transaction of such other business as may properly come before the Board at that time. Additional regular meetings may be set by resolution of the Board of Directors on an annual basis.

Section 5. Special meetings of the Board of Directors may be called by the President or by any two members of the Board of Directors upon three days' notice given personally or by telephone, telegraph, or facsimile transmission to each Director, or by mail if received at least three days before such meeting. The notice must specify the purpose of the meeting. Such special meetings may be held at such place, either within or without the State of Kansas, as shall be specified in the call of said special meeting. Notice of the time, place, and call of any meeting of the Board may be waived in writing if the waiver sets out in reasonable detail the purpose or purposes for which the meeting is called and the time and place thereof. Attendance at any meeting of the Board shall constitute a waiver of notice of such meeting and of the time, place, and call thereof.

Section 6. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if, prior to such action, a written consent thereto is signed by all members of the Board and such consent is filed with the minutes of the proceedings of the Board.

Section 7. Directors may participate in any meeting by, or conduct any meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting.

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

ARTICLE III

Officers

Section 1. The officers of the Corporation shall consist of: President, Vice-President, Secretary and Treasurer. A person may hold more than one office.

Section 2. The Board of Directors, by a majority vote, may remove any officer, with or without cause. Vacancies in such offices, however occurring, may be filled by a majority vote of the Board at any meeting of the Board.

Section 3. The Board of Directors shall designate by resolution or Corporate Policy the officer(s) of the Corporation who shall have full authority to execute proxies on behalf of the Corporation, to vote stock owned by it in any other corporation, and to execute, with the Secretary, powers of attorney appointing other corporations, partnerships or individuals as agents of the Corporation.

Section 4. The President of the Corporation shall be its Chief Executive Officer, and shall have such powers and perform such duties as the Board of Directors may prescribe or delegate from time to time.

Section 5. The Secretary shall be the custodian of the books, papers, and the records of the Corporation and of its corporate seal, if any. The Secretary shall keep the minutes of the meetings of the shareholders and of the Board of Directors and enter the same in the minute book of the Corporation, and execute certified copies as necessary. The Secretary shall perform all of the other duties usual to the office of Secretary of a corporation.

Section 6. The Treasurer shall have the care and custody of and be responsible for funds and securities of the Corporation, all of which shall be deposited in banks and depositories designated by or in a manner authorized by the Board of Directors. The Treasurer shall direct the keeping of a record of all receipts and

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

disbursements and shall prepare or have prepared reports to be presented to the Board of Directors as directed by the Board of Directors. The Treasurer shall direct the manner in which records shall be kept of all financial transactions of the Corporation. The Treasurer shall give bond for the faithful performance of his or her duties in such sum as the Board of Directors may from time to time require.

Section 7. The President shall have the authority to appoint administrative officers such as additional Vice Presidents, Assistant Secretaries and Assistant Treasurers, to perform such functions and duties as prescribed and approved by the President.

ARTICLE V

Conflicts of Interest

No contract or other transaction between the Corporation and one or more Directors or any other corporation, firm, association or entity in which one or more Directors is a director or officer or is financially interested, shall be either void or voidable because of such relationship or interest or because such Director or Directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction or because his or their votes are counted for such purposes if:

- (a) The fact of such relationship or interest is disclosed or known to the Board of Directors or Committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Directors; or
- (b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or
- (c) The contract or transaction is fair and reasonable to the Corporation.

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a Committee thereof which authorizes, approves, or ratifies such contract or transaction.

ARTICLE VII

Stock

Section 1. Certificates for shares of the capital stock of the Corporation shall be signed by the President and the Secretary, and the seal of the Corporation, if any, shall be affixed thereto.

Section 2. The stock of the Corporation shall be transferred on the books of the Corporation only upon a surrender of the certificate therefor, properly endorsed by the registered holder in person or by his attorney-in-fact and duly witnessed.

Section 3. The Secretary or Assistant Secretary shall keep a stock register or transfer book showing such information as is commonly required to be shown by stock transfer books. Such book shall permit the Corporation to identify any stock which qualifies as Section 1244 stock under the Internal Revenue Code of 1954, as amended.

Section 4. The form of the certificates for shares of the capital stock of the Corporation shall be as adopted by the Board of Directors.

ARTICLE VIII

Seal

If the Corporation elects to have one, the corporate seal of the Corporation may be in the form of a disk with the words "Anthem Health Plans of Kansas, Inc." on the periphery thereof and the word "SEAL" in the center thereof.

ARTICLE IX

Miscellaneous

Section 1. The provisions of the Kansas General Corporation Code, as amended from time to time, are hereby incorporated herein and made a part of these By-

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

Laws by reference, to the extent that they are applicable to matters relevant hereto, but not specifically covered by, these By-Laws.

Section 2. The fiscal year of the Corporation shall end on December 31 of each year.

Section 3. Whenever used in these By-Laws, the singular shall be understood to subsume the plural, and the masculine to subsume the feminine or neuter, where and as appropriate. Further, these By-Laws will be construed in accordance with the laws of the State of Kansas; and, any provision herein found to be invalid shall not adversely affect the validity of any other provision hereof.

ARTICLE X

Amendments

These By-Laws may be amended, modified, or replaced at any regular or special meeting of the Board of Directors if a notice or waiver of notice for said meeting shall have stated the sections of the By-Laws proposed to be amended, modified, or replaced.

ARTICLE XI

Indemnification

Section 1. Indemnification. To the extent not inconsistent with Kansas law as in effect from time to time, every person (and the heirs and personal representatives of such person) who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, association, trust or other organization or entity, shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, action, suit or proceeding (a) if such Director, officer, employee or agent is wholly successful with respect thereto, or (b) if not wholly successful, then if such Director, officer, employee or agent is determined, as provided in Section 3 of this

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

Article, to have acted in good faith, in what he reasonably believed to be the best interests of the Corporation and, in addition, with respect to any criminal action or proceeding is determined to have had no reasonable cause to believe that his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, settlement (whether with or without court approval), or conviction, or upon a plea of guilty or of nolo contendere or its equivalent, shall not create a presumption that a Director, officer, employee or agent did not meet the standards of conduct set forth in this section.

Section 2. Definitions.

a. The terms “claim, action, suit or proceeding” shall include every claim, action, suit or proceeding and all appeals thereof (whether brought by or in the right of the Corporation or any other corporation or otherwise), whether civil, criminal, administrative or investigative, or threat thereof, in which the person claiming indemnification (or his heirs and personal representatives) may become involved, as a party or otherwise:

i. by reason of his being or having been a Director, officer, employee or agent of the Corporation or of any other corporation which he has served as such at the request of the Corporation, or

ii. by reason of his acting or having acted in any capacity in a partnership, joint venture, association, trust or other organization or entity where he served as such at the request of this Corporation, or

iii. by reason of any action taken or not taken by him in any such capacity, whether or not he continues in such capacity at the time such liability or expense shall have been incurred.

b. The terms “liability” and “expense” shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

against, and amounts paid in settlement by or on behalf of, a Director, officer, employee, or agent.

c. The term “wholly successful” shall mean (i) termination of any action, suit or proceeding against the person in question without any finding of liability or guilt against him, (ii) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit, or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3. Operation. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit or proceeding) shall be entitled to indemnification (a) if special independent legal counsel, which may be regular counsel of the Corporation or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the referee), shall deliver to the Corporation a written finding that such Director, officer, employee or agent has met the standards of conduct set forth in Section 1 of this Article, and (b) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee, answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he relies for indemnification. The Corporation shall, at the request of the referee, make available facts, opinions or other evidence in any way relevant to the referee's finding which are within the possession or control of the Corporation.

Section 4. Additional Provisions. The rights of indemnification provided in this Article shall be in addition to any rights to which any such Director, officer, employee or agent may otherwise be entitled. Irrespective of the provisions of

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

this Article, the Board of Directors may, at any time and from time to time, (a) approve indemnification of Directors, officers, employees, agents or other persons to the full extent permitted by the provisions of Kansas law at the time in effect, whether on account of past or future transactions, and (b) authorize the Corporation to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, association, trust or other organization or entity against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability.

Section 5. Expenses. Expenses incurred with respect to any claim, action, suit or proceeding may be advanced by the Corporation (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he is entitled to indemnification.

Section 6. Scope of Article. The provisions of this Article shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after the adoption hereof.

ARTICLE XII

Advisory Boards and Committees

Section 1. The Board of Directors may establish an advisory board to provide input to the Board of Directors regarding issues of concern to customers of the Corporation, and to provide feedback to the Board of Directors regarding questions posed to such advisory board. Likewise, the Board of Directors may establish advisory committees consisting of hospital administrators or of practicing physicians, dentists, or

**BY-LAWS OF
ANTHEM HEALTH PLANS OF KANSAS, INC.
Adopted _____**

other health care professionals to serve in similar capacities. By resolution, the authority to establish such advisory boards or committees, or to appoint members thereto, may be delegated by the Board of Directors to the President of the Corporation.

Section 2. No action by an advisory board or committee shall have a binding effect on the Corporation.

Section 3. The Corporation may provide for compensation of advisory board members, and for the provision of educational opportunities regarding the Corporation to advisory board members. The Corporation may pay the reasonable expenses incurred by advisory board members or advisory committee members in attending meetings of such advisory boards or advisory committees, and may pay the reasonable expenses associated with educational opportunities provided to advisory board members.