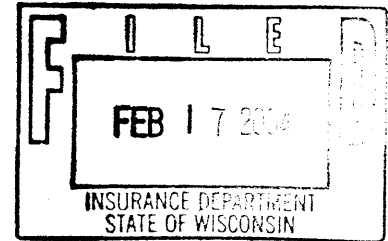


February 17, 2004

Via Hand Delivery

Mr. Steven J. Junior
Senior Insurance Examiner
Bureau of Financial Analysis & Examinations
Office of the Commissioner of Insurance
125 South Webster Street
Madison, WI 53703



Re: In the Matter of the Acquisition of Control of Blue Cross Blue Shield of Wisconsin; Compcare Health Services Insurance Corporation; Unity Health Plans Insurance Corporation; United Heartland Life Insurance Company; United Wisconsin Insurance Company; and Valley Health Plan, Inc. (collectively, "Crossroads Acquisition Corp.'s Insurance Subsidiaries"), by Anthem, Inc. and Anthem Holding Corp. (Case No. 04-C28767)

Dear Mr. Junior:

On December 17, 2003, Anthem, Inc. ("Anthem") filed a Form A Statement Regarding Acquisition of Control of or Merger with a Domestic Insurer with the Office of the Commissioner of Insurance ("OCI") seeking prior approval for the acquisition of control of Crossroads Acquisition Corp.'s Insurance Subsidiaries. In connection with the review of the proposed transaction, OCI requested additional documentation and information in your February 6, 2004 correspondence to Anthem.

Confidentiality of Certain Documents and Records

In response to question #1 in your request, we are providing three (3) copies of the Purchaser's Disclosure Schedules and Company's Disclosure Schedules, redacted based upon our recent discussions (collectively, the "Disclosure Schedules"), to the Agreement and Plan of Merger, dated October 26, 2003 (the "Agreement and Plan of Merger"), by and among Anthem, Anthem Holding Corp and WellPoint Health Networks Inc. ("WellPoint"). Copies of the Disclosure Schedules are provided to OCI pursuant to Wis. Stat. §§ 601.42 and 611.72. It is Anthem's and WellPoint's position that certain portions of the Disclosure Schedules are confidential under Wisconsin law and, therefore, such portions have been redacted (collectively, the "Redacted Confidential Information") so as not to be publicly disclosed. Among other

things, disclosure the Redacted Confidential Information would have an adverse impact on Anthem's and WellPoint's competitive position by disclosing key commercial, financial and business information to Anthem's and WellPoint's many competitors and customers. The disclosure of customer lists would be advantageous to competitors and harmful to the parties. Moreover, certain parts of the Redacted Confidential Information relate to pending litigation matters. The lists of pending litigation are not publicly available from the parties and the parties believe that disclosure of the lists themselves would put them at a competitive disadvantage. Anthem and WellPoint have separately disclosed and discussed material pending litigation.

Anthem and WellPoint believe that the Redacted Confidential Information is exempt from disclosure (as discussed in more detail below) (A) under Wisconsin's open records law for trade secret purposes; (B) under Wisconsin's open records law for pending or anticipated litigation or for competitive bargaining reasons; and (C) based upon other considerations.

A. Wisconsin Public Records Law – Trade Secrets

Much of the Redacted Confidential Information is exempt from mandatory disclosure under the exemptions contained in Wis. Stat. § 19.36. Section 19.36(5), for example, limits the public's access to the Redacted Confidential Information because such information qualifies as a trade secret. A trade secret is defined under Wis. Stat. § 134.90(1)(c) as information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply: (1) the information derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (2) the information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

1. Independent Economic Value

The Redacted Confidential Information contains specific details regarding critical financial and management information that, if disclosed, could be used by a competitor and adverse party to their advantage and Anthem's and WellPoint's detriment. Customer lists and information regarding premium payments are prime examples.

Although Wisconsin case law does not provide specific guidance applicable to these circumstances concerning interpretation of the "independent economic value" element of the trade secret definition under Wisconsin's version of the Uniform Trade Secret Act, decisions from other jurisdictions are helpful in supporting our confidentiality request on this point and such decisions are to be given careful consideration by Wisconsin courts. *See* Wis. Stat. 134.90(7); *Minuteman, Inc. v. L.D. Alexander*, 147 Wis. 2d 842, 858 (Sup. Ct. 1989). Accordingly, the following case citations support the line of reasoning set forth in this letter, namely, that information which protects or provides a competitive edge or advantage is of economic value. *See Telerate Systems, Inc. v. Caro*, 689 F. Supp. 221, 232 (S.D.N.Y. 1988) ("Even a slight competitive edge will satisfy this [economic value] requirement of trade secret

protection."); *U.S. West Communications, Inc. v. Office of Consumer Advocate*, 498 N.W.2d 711, 714 (Iowa 1993); *S & W. Agency, Inc. v. Foremost Insurance Company*, 51 F. Supp. 2d 959, 976 (N.D. Iowa 1998) (applying U.S. West rationale) ("The Supreme Court of Iowa has interpreted the independent economic value prong of the test as 'speak[ing] to the value of the information to either the owner or a competitor; any information which protects the owner's competitive edge or advantage.' US West, 498 N.W.2d at 714. Thus, 'information kept secret that would be useful to a competitor and require cost, time and effort to duplicate is of economic value.'"); *APAC Teleservices, Inc. v. McRae*, 985 F. Supp. 852, 865 (N.D. Iowa 1997) (independent economic value was supported by the fact that the confidential materials were unknown to and not readily ascertainable by other competing parties); *Electro-Craft Corp. v. Controlled Motion, Inc.*, 332 N.W.2d 890, 901 (Minn. 1983) ("If an outsider would obtain a valuable share of the market by gaining certain information, then that information may be a trade secret if it is not known or readily ascertainable.").

2. Efforts to Maintain Secrecy

Anthem and WellPoint have undertaken reasonable measures to ensure that the Redacted Confidential Information remains secret. The parties have, for example, entered into a confidentiality agreement. See *ECT Int'l, Inc. v. Zwerlein*, 597 N.W. 2d 479, 228 Wis.2d 343 (App. 1999) (citing *Stargate Software Int'l, Inc. v. Rumph*, 482 S.E.2d 498, 502 (Ga.App.1997) ("Requiring employees to sign confidentiality agreements may, in some circumstances, be 'sufficient to constitute a reasonable step to maintain the secrecy of information alleged to have been misappropriated.'"). In addition, the parties have limited access to the Redacted Confidential Information to only those personnel within Anthem and WellPoint working directly on the disclosure schedules. Finally, Anthem and WellPoint have not made the Redacted Confidential Information otherwise publicly available.

B. Wisconsin Public Records Law – Pending Litigation and Competitive or Bargaining Reasons

The Wisconsin public records law also included an exception for materials relating to pending or anticipated litigation or where competitive or bargaining reasons so require. Certain parts of the Redacted Confidential Information describe pending litigation. Disclosing this information would be detrimental to Anthem and WellPoint and would undermine their posture in other litigation or settlement – a result not required by law. Other sections, e.g., Schedule 3.2(t) (environmental) and Schedule 3.2(u) (intellectual property) discuss pending claims and risks as well.

C. Other Considerations

The Redacted Confidential Information is important to both Anthem and WellPoint. That is why they asked for it in connection with the merger. But, such information is not otherwise publicly available from other sources, including all public filings made with the Securities and

Exchange Commission. The Redacted Confidential Information was provided by Anthem and WellPoint to each other solely in connection with the parties negotiating and entering into the Agreement and Plan of Merger. It should not be available for other than that very limited purpose.

If you need additional information or have questions regarding this correspondence, please feel free to give us a call.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP



David J. Hanson
Thomas E. Klanecnik

Enclosures

cc (w/o encl.):

David Frick, Esq.
Tibor Klopfer, Esq.
Thomas Geiser, Esq.