

ANTHEM'S RESPONSES TO OCI'S COMMENTS

Requests for Documentation

1. Please provide a complete copy of the Purchaser Disclosure Schedule and Company Disclosure Schedule to the Amended and Restated Agreement and Plan of Merger effective as of October 26, 2003 among Anthem, Inc., Anthem Holding Corp., and WellPoint Health Networks Inc., so that we might obtain a complete understanding of the proposed transaction. If the parties wish to seek confidentiality for certain aspects of the transaction documents, please provide a written legal analysis in support of your position that the filing or any portion of the filing should be kept confidential under s. 19.36(5), Wis. Stat., or other applicable Wisconsin law. Please describe this in a distinct and separate written communication, so that this Office's legal unit can review the merits of your legal analysis. Consistent with past practices, we would be amenable to meeting with you or your Wisconsin counsel to review these schedules.

Copies of the Purchaser (Anthem) Disclosure Schedule and the Company (WellPoint) Disclosure Schedule are being provided to the OCI under separate cover and with a formal request for confidential treatment under Wis. Stat. 19.36(5).

2. Please provide Anthem Holding Corp.'s date of incorporation and confirmation that its full and proper legal name is "Anthem Holding Corp." and not "Anthem Holding Corporation".

Anthem Holding Corp., an Indiana corporation, was incorporated on October 23, 2003 in connection with the proposed transaction. "Anthem Holding Corp." is the full legal name of the corporation.

3. Who will serve as directors and officers of each of the following insurance corporations following the merger: 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.? Please file biographical affidavits on the NAIC form for any individuals for whom a biographical affidavit would not already be on file with this Office.

Anthem has no current plans to make material changes to the officers and directors of Crossroads Acquisition Corp.'s insurance subsidiaries (listed in the above question).

A common group of Anthem officers currently serves as both directors and officers of most of Anthem's existing subsidiaries. Similarly, and consistent with Larry Glasscock's post-Merger position as the President and Chief Executive Officer of Anthem and with Leonard Schaeffer's post-Merger position as the non-executive Chairman of the Board of Directors of Anthem (as described in the Form A Statement), it is anticipated that at the time of or following the Merger, Mr. Glasscock will replace Mr. Schaeffer as a director and officer of the WellPoint subsidiaries (including Crossroads Acquisition Corp.'s insurance subsidiaries). As indicated in the joint press release issued on October 27, 2003 by Anthem and WellPoint with respect to the Merger, in order to assure continuity of leadership, the presidents of WellPoint's Blue Plans, including

BCBSW, will be asked to continue in their current roles. To the extent that Anthem intends to make changes to the officers and directors of Crossroads Acquisition Corp.'s insurance subsidiaries, Anthem or the insurance subsidiaries will make all appropriate filings and seek all required approvals for such changes.

4. When available, please provide a copy of the Federal Trade Commission's early termination notice or other form of response to Anthem, Inc.'s filing pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Anthem confirms that it will provide the OCI with a copy of any such early termination notice or other response when available.

Financial Implications

5. What cash flow, time frame and sources of funds do the parties anticipate will be needed to pay principal and interest on the debt that will be incurred to fund the purchase of WellPoint Health Networks Inc.?

Anthem is a holding company and has no operations of its own. As a result, ordinary dividends from subsidiaries are the primary source of liquidity for Anthem. Anthem anticipates that ordinary dividends from its post-Merger operating subsidiaries, including Crossroads Acquisition Corp.'s insurance subsidiaries, will be sufficient to pay principal of and interest on Anthem's debt, including all debt incurred in connection with the Merger.

Anthem expects to borrow approximately \$3.2 billion to finance the Merger. While the mix of bank debt and long-term debt securities has not been determined and will ultimately depend on market conditions and other financial factors, Anthem presently believes that the financing will likely consist of a combination of borrowings under a new \$2.5 billion credit facility, which will replace Anthem's existing \$1.0 billion of credit facilities, and the issuance of long-term debt securities in the form of senior notes. The new \$2.5 billion credit facility will include a \$1.0 billion one-year maturity (with an option on the part of Anthem to convert any outstanding balance at the maturity date into a one-year term loan) and a \$1.5 billion five-year maturity. Interest is expected to be payable quarterly in arrears, at a floating market rate. Anthem currently anticipates that the senior notes, which will be issued in a registered public offering, will have maturities ranging from five to thirty years, subject to market conditions. The senior notes will bear a fixed rate of interest (depending on the maturity), expected to be paid semi-annually. No assets of Anthem or stock or assets of subsidiaries will be pledged to secure either the credit facility or the notes.

In order to minimize interest expense that will begin to accrue upon issuance of the senior notes, and in order to minimize costs of the new credit facility, issuance and sale of the notes and execution of the credit agreement for the new credit facility are scheduled to occur immediately prior to or at the time of the closing of the Merger.

6. Following the merger, what effect would the acquisition of WellPoint's and Anthem's chosen method of debt financing for the transaction be anticipated to have on the factors determining its post-merger insurance subsidiaries' rate levels?

None. Anthem does not believe that the insurance premiums and rates and other charges to customers will be changed as a result of the Merger or Anthem's debt financing for the Merger. Customer preferences and other market factors help Anthem determine insurance premiums, rates and charges in any particular market.

Anthem works to create products that offer value to its customers. By offering a wide spectrum of products supported by broad provider networks, Anthem seeks to meet the differing needs of its various customers. The breadth and flexibility of Anthem's benefit plan options, coupled with quality care initiatives, are designed to appeal to a broad base of employer groups and individuals with differing product and service preferences. Anthem uses innovative product design, such as a three-tiered prescription program that provides customer choices among generic, brand and formulary drugs at various out-of-pocket costs. Innovative product designs help Anthem contain costs and allow its products to be competitively priced in the market.

7. What assets, if any, are anticipated to be pledged to secure the debt that will be incurred to fund the purchase of WellPoint Health Networks Inc. or the debt that is anticipated to replace the bridge financing?

None. No assets or stock of Anthem or any of its subsidiaries have been or will be pledged to secure any borrowings under Anthem's credit facility or any other debt that will be incurred by Anthem in connection with the Merger.

8. What are Anthem Inc.'s plans to dispose of the Anthem stock that Blue Cross Blue Shield of Wisconsin will hold following the proposed acquisition of control?

Anthem has no current plans to dispose of the Anthem stock that will be owned after the Merger by BCBSW.

9. Please explain why WellPoint's insurance subsidiaries should receive a different form of consideration than most of WellPoint's other shareholders.

The Merger Agreement expressly provides that the WellPoint stock owned by any WellPoint insurance subsidiaries will be exchanged solely for shares of Anthem stock in the Merger. Any payment of cash for these shares would trigger a taxable gain that could result in tax payable by the insurance subsidiaries holding the WellPoint stock. Payment solely in stock will also avoid the costs of borrowing the additional cash that would otherwise be needed to pay the cash Merger consideration to these subsidiaries. Since WellPoint's subsidiaries will be wholly owned by Anthem after the Merger, Anthem would in effect be borrowing funds in order to pay itself cash. Moreover, the WellPoint stock owned by BCBSW is treated as a non-admitted asset for statutory financial statement purposes. Payment in stock rather than cash will not, therefore, have any impact on BCBSW's statutory admitted assets or statutory surplus, as compared to the statutory value of the WellPoint stock before the Merger.

10. Please confirm there will be no changes to any assets or liabilities on the statutory annual or quarterly statements of Blue Cross Blue Shield of Wisconsin or any other affiliated insurer related to the acquisition by Anthem, Inc., and that there will be no goodwill or acquisition expenses related to the acquisition by Anthem, Inc. pushed down into Blue Cross Blue Shield of Wisconsin or other Wisconsin insurer.

The Merger will not result in any changes to the assets or liabilities on the statutory annual or quarterly statements of BCBSW or any other affiliated insurer. No goodwill or acquisition expenses will be pushed down to BCBSW or any other Wisconsin insurer.

11. What is the anticipated effect of the merger on the funding status of the combined companies' pension and other benefit obligations?

The Merger will have no effect on the funded status of pension or other benefit plan obligations of the combined company following the Merger.

Business Plans

12. What is the target date for closing the proposed merger?

Anthem and WellPoint expect to close the Merger by mid-year 2004.

13. Under what circumstances would Anthem, Inc. anticipate that it would elect to substitute an Indiana single member limited liability company for Anthem Holding Corp. in the proposed merger?

Section 1.14 of the Merger Agreement states that, in lieu of WellPoint being merged with and into Anthem Holding Corp., Anthem and WellPoint may cause the Merger to be a merger of WellPoint with and into an Indiana single member limited liability company directly and wholly owned by Anthem and disregarded as a separate entity for federal tax purposes.

Pursuant to the Merger, the contracts to which WellPoint is now a party will be assumed by operation of law by the surviving entity in the Merger. Anthem and WellPoint are in the process of reviewing the terms of such contracts to assure compliance with such contracts if the survivor in the Merger were a single member limited liability company instead of a corporation. Substituting an Indiana single member limited liability company for Anthem Holding Corp., which in either case would serve simply as an intermediate holding company, will not have any effect on the operation of Anthem's insurance company and HMO subsidiaries, including Crossroads Acquisition Corp.'s insurance subsidiaries.

14. Is any reorganization of the succession of control or ownership of Crossroads Acquisition Corp.'s present subsidiaries contemplated following the proposed merger?

Anthem has no current plans to reorganize the control or ownership of Crossroads Acquisition Corp.'s present subsidiaries.

15. Which of Anthem's divisions will Crossroads Acquisition Corp.'s insurance subsidiaries join?

Anthem currently operates its existing core health businesses through strategic business units delineated by geographic areas. While no final plans or decisions have been made, Anthem expects to continue to manage its health businesses, including Crossroads Acquisition Corp.'s insurance subsidiaries, with a local focus to address each market's unique competitive, regulatory and health care delivery characteristics.

16. What is the anticipated impact of integration expenses upon each of Crossroads Acquisition Corp.'s Wisconsin-domiciled insurance subsidiaries?

Anthem does not intend that the transactions expenses of the Merger will be paid by the Wisconsin-domiciled insurance subsidiaries.

17. What changes does Anthem, Inc.'s management anticipate with respect to service, management, cost allocation, or other written agreements applicable to Crossroads Acquisition Corp.'s insurance subsidiaries in consequence of the proposed merger?

Anthem has no current plans to change the day-to-day administrative activities that service the business of Crossroads Acquisition Corp.'s insurance subsidiaries.

Anthem's subsidiaries typically share services in the ordinary course of business under a standard intercompany services agreement. Similarly, Crossroads Acquisition Corp.'s insurance subsidiaries share services with their current affiliates in the ordinary course of business under existing arrangements. Anthem has no current plans to change the existing intercompany administrative services reimbursement or payment arrangements that Crossroads Acquisition Corp.'s insurance subsidiaries maintain with their affiliates. In the event that such arrangements are to be changed in the future, including entering into Anthem's standard intercompany services agreement or a similar agreement, Anthem or Crossroads Acquisition Corp.'s insurance subsidiaries, as applicable, will make all appropriate filings and seek all required approvals for such change.

18. Where will the primary books and records of Crossroads Acquisition Corp.'s present insurance subsidiaries' be located following the proposed merger?

Anthem has no current plans to change the existing arrangements concerning the location of the primary books and records of Crossroads Acquisition Corp.'s insurance subsidiaries.

19. Where will the primary location of statutory accounting and statutory financial statement preparation be following the merger?

Anthem has no current plans to change the existing arrangements concerning the location of statutory financial statement preparation of Crossroads Acquisition Corp.'s insurance subsidiaries.

20. Please describe plans, if any, to contribute capital to any of Crossroads Acquisition Corp.'s insurance subsidiaries following the proposed merger.

Anthem has no current plans to contribute capital to any of Crossroads Acquisition Corp.'s insurance subsidiaries.

21. Which types of programs and services will Crossroads Acquisition Corp.'s insurance subsidiaries prioritize for growth and development following the proposed merger?

Anthem's reasons for the Merger recognize the general opportunities for growth, but neither Anthem nor WellPoint can specify, at this time, whether and to what extent any insurance programs or services of Crossroads Acquisition Corp.'s insurance subsidiaries will be targeted for growth or development as a result of the Merger. Anthem and WellPoint believe that, through the Merger, they can create a stronger company that can provide significant benefits to their customers, shareholders, and other constituents. Both companies have a common strategic focus on delivering the highest value to customers and, working together, they expect to expand future opportunities and capture new efficiencies.

22. Which types of programs and services will Crossroads Acquisition Corp.'s insurance subsidiaries seek to reduce or terminate following the proposed merger?

Anthem has no current plans to reduce or terminate any insurance program or service provided by any of Crossroads Acquisition Corp.'s insurance subsidiaries. Anthem believes that health care is a local activity and intends to continue the current product offerings of Crossroads Acquisition Corp.'s insurance subsidiaries, subject to benefit design and other changes as are necessary to respond to market conditions and customer preferences. Similarly, Anthem intends to continue WellPoint's approach to its relationships with Wisconsin health care providers, including maintaining broad provider networks to ensure customer choice.

23. Does management anticipate any changes in Crossroads Acquisition Corp.'s insurance subsidiaries' marketing practices or distribution channels following the proposed merger?

Anthem has no current plans to make changes to the marketing practices or distribution channels of Crossroads Acquisition Corp.'s insurance subsidiaries.

24. What operational changes, including but not limited to government relations, claims processing, customer service, and provider relations with respect to the Wisconsin insurance subsidiaries of Crossroads Acquisition Corp., are anticipated for Anthem, Inc. and WellPoint Health Networks Inc. following the proposed merger transaction?

Anthem believes that health care is a local activity and, accordingly, intends that substantially all business activities of the Wisconsin insurance subsidiaries of Crossroads Acquisition Corp. that involve direct customer contact and service will continue to be conducted from existing business locations. Local managers will be responsible for virtually all day-to-day administrative decisions that relate to benefits design, sales and marketing, underwriting, provider contracting and relations, network management and medical management.

Anthem seeks to maintain broad networks of physicians and hospitals to ensure customer choice. Anthem plans to continue the Wisconsin insurance subsidiaries' approach to their relationships with Wisconsin health care providers – physicians, hospitals and other health care professionals.

Also, the day-to-day administrative activities relating to enrollment activity, customer educational activities, customer satisfaction, and interfacing with regulatory authorities will be handled by local employees.

25. Are the information technology platforms currently in place at Anthem and WellPoint relatively compatible? How long is the integration of information technology platforms anticipated to take?

Anthem has no current plans for a large-scale systems conversion after the Merger and instead anticipates using a scaleable information technology model that would use middleware applications to link existing claims systems to a common customer service workbench and other new applications.

26. Does the approach of Anthem and WellPoint with respect to coordinated care and disease management programs differ to any significant degree? If so, how will service in this respect differ after the merger?

The approaches of Anthem and WellPoint with respect to coordinated care and disease management are quite similar. Anthem believes that its ability to help members receive quality, cost-effective health care will be key to the combined company's success. Anthem's strong industry position enables it to realize the long-term benefits of investing in coordinated care and disease management programs. Anthem's programs, developed in conjunction with physicians and other health care professionals, identify high risk members prospectively and then ensure that they receive necessary clinical interventions and services to improve their health outcomes.

Anthem has nationally recognized, award winning disease and care management programs. In Maine, Anthem's asthma program was named one of the top two asthma disease management programs in the country by the Tufts University School of Medicine. Health Management Corporation, an Anthem subsidiary, has been a national leader in disease management. Further, Anthem's Care Counselor Program helps chronically ill members (with such diseases as heart disease and chronic kidney disease) and their health care professionals optimize care through disease education, direct and continued contact, and self-directed patient care.

27. Does the approach of Anthem and WellPoint with respect to preventive and early detection programs differ in any significant degree? If so, how will service in this respect differ after the merger?

The approaches of Anthem and WellPoint regarding preventive and early detection programs are quite similar. Anthem and WellPoint enjoy complementary cultures and values that focus on quality. Anthem promotes quality care through education, as well as prevention and early detection programs. For example, through its "Miles for Smiles" program, Anthem sends mobile dental clinics into communities, providing treatment and preventive dental care to thousands of

children who might not otherwise obtain it. Also, Anthem's "Blue Cares" program has increased the rates of childhood immunizations by sending reminder notices to parents.

28. Following the merger, the combined group will have two Medicare servicing units, United Government Services, LLC and AdminiStar Federal, Inc. What is the expected process and time frame for integration of these units, if any, or is separate and distinct operation of both units expected to continue indefinitely?

The national headquarters for the Medicare Part A claims processing business of United Government Services (but not including Anthem's existing Medicare Part A claims processing business) will continue to be located in Milwaukee, Wisconsin, as provided in the Merger Agreement. Anthem has made no decisions regarding the integration of the Medicare servicing units.

29. Please describe post-acquisition plans for charitable contributions and commitment to community outreach in Wisconsin in comparison to the historical practices of previous owners of Crossroads Acquisition Corp.'s insurance subsidiaries?

Anthem anticipates that, after the Merger, it will continue to be a leader in the area of charitable contributions and commitment to the communities it serves.

Anthem's legacy is firmly rooted in its Blue Cross Blue Shield tradition and carries with it a commitment to customers and to the communities it serves. Anthem contributes to health-related organizations and charitable efforts in communities large and small throughout its nine states. Anthem employees also devote thousands of volunteer hours to significant local causes.

Illustrative of this commitment to the communities that it serves, Anthem has been selected for the United Way's National Corporate Leadership ("NCL") program. NCL companies are selected for exceptional community involvement as demonstrated by participation with local United Way programs. Nationwide, Anthem is one of only 140 companies that have the United Way NCL designation.

Consistent with the 2003 merger agreement among WellPoint, Crossroads Acquisition Corp. and Cobalt Corporation, the assets of the former Cobalt Corporation Foundation, as they existed at the closing of the 2003 merger, will continue to be used for charitable purposes based or occurring in, or be distributed to charitable organizations located in, the state of Wisconsin.

General Employment Implications

30. Is it anticipated that the number of people employed by Crossroads Acquisition Corp. and its insurance subsidiaries will increase or decrease following the proposed merger? If so, what is the anticipated magnitude of the change?

Anthem has no current plans to make any material change in the number of persons employed by Crossroads Acquisition Corp. and its insurance subsidiaries. Under the Merger Agreement, the headquarters of BCBSW will continue to be located in Wisconsin, and the national headquarters for the Medicare Part A claims processing business of United Government Services (but not

including Anthem's existing Medicare Part A claims processing business) will continue to be located in Milwaukee, Wisconsin.

31. Will the existing employees of Crossroads Acquisition Corp., Blue Cross Blue Shield of Wisconsin, and Government Health Services, LLC be transferred to become employees of one or more other companies in Anthem, Inc.'s holding company system?

Anthem does not anticipate that the Merger will result in a change in the location of employment for any employees who are engaged in the day-to-day operations of Crossroads Acquisition Corp., BCBSW and Government Health Services.

32. Has Anthem, Inc. or any of its subsidiaries made or placed under development any side agreements, written plans, or assurances concerning staff retention, salaries and benefits, or severance packages applicable to the employees of Crossroads Acquisition Corp. and its subsidiaries, apart from plans disclosed in the Form S-4 filed with the U.S. Securities and Exchange Commission?

No.

33. What are Anthem's intentions with respect to the continuation of Wisconsin-based executive officers following the proposed merger transaction?

In order to assure continuity of leadership, the presidents of WellPoint's Blue Cross and Blue Shield Plans, including BCBSW, will be asked to continue in their current roles.

Consistent with Larry Glasscock's post-Merger position as the President and Chief Executive Officer of Anthem and with Leonard Schaeffer's post-Merger position as the non-executive Chairman of the Board of Directors of Anthem, it is anticipated that at the time of or following the Merger, Mr. Glasscock will replace Mr. Schaeffer as a director and officer of the WellPoint subsidiaries, including Crossroads Acquisition Corp.'s insurance subsidiaries.

Except as described above, Anthem has no current plans with regard to Wisconsin-based executive officers following the Merger.

34. How does Anthem, Inc. anticipate that the post-merger employment structure of Crossroads Acquisition Corp.'s insurance subsidiaries will be organized, including union relationships?

Anthem has no current plans to make any material changes to the existing employment structure or union relationships of Crossroads Acquisition Corp.'s insurance subsidiaries.

Executive Compensation

35. Has Anthem, Inc. or any of Anthem's subsidiaries entered into or anticipate entry into employment, retention, or severance arrangements with any "executive officer", as that term is defined by Rule 3b-7 of the Securities and Exchange Act of 1934, as amended, of WellPoint Health Networks Inc. or any of WellPoint's subsidiaries?

Neither Anthem nor any affiliate of Anthem has entered into any employment, retention, or severance agreement with any executive officer of WellPoint or any WellPoint subsidiary.

Consistent with its existing practice with its current executives, Anthem anticipates entering into such agreements and arrangements with certain senior executives of WellPoint who will become executives of Anthem post-closing. Thus far, it has been announced that David Colby will be the Chief Financial Officer of Anthem and that the presidents of WellPoint's Blue Cross and Blue Shield plans will be asked to continue in their positions, but no employment, retention or severance arrangement has yet been entered into with those individuals.

36. What specific circumstances trigger the executive change-in-control payments described in the Form S-4 filed with the U.S. Securities and Exchange Commission? Does the mere fact of a change in control trigger payments to executive officers or do the executive officers have to terminate their employment to receive compensation under the change-in-control provisions of their employment arrangements?

No amounts are payable under any Anthem or WellPoint executive employment agreement or other arrangement solely by reason of the change of control that will occur as a result of the Merger. In general, executive change in control payments would not be payable until both a change in control had occurred and the executive's employment was involuntarily terminated or "constructively terminated." In general, an executive's employment is "constructively terminated" when the executive experiences a significant reduction in the executive's title, duties or responsibilities or a change in job location. For a detailed description of the contracts, arrangements and other matters affecting directors and executive officers of Anthem and WellPoint, please see "Resales of Anthem Stock by Affiliates", "Anthem's Directors and Officers Have Financial Interests in the Merger", "WellPoint's Directors and Officers Have Financial Interests in the Merger", and "Insurance and Indemnification" on Pages 69 through 72 and "Employee Benefits Matters" on Pages 84 and 85 of Preliminary Joint Proxy Statement/Prospectus included in the Form S-4.

37. What is the anticipated amount of change-in-control payments to WellPoint executive officers, in total, as a consequence of the proposed merger? If the anticipated amount differs from the maximum amount, what is the maximum amount? In the opinion of Anthem's senior management, should anticipated change-in-control payments to WellPoint employees other than executive officers be regarded as material?

Except as described above with respect to the post-Merger positions of David Colby and the presidents of the Blue Cross and Blue Shield plans, Anthem has no specific plans for the retention or termination of any WellPoint executive at this time. As a result, Anthem is currently unable to specify the amount of change in control payments that may be paid in connection with the integration of the companies. For a detailed description of the matters affecting Directors and executive officers of Anthem and WellPoint, please see "Resales of Anthem Stock by Affiliates", "Anthem's Directors and Officers Have Financial Interests in the Merger", "WellPoint's Directors and Officers Have Financial Interests in the Merger", and "Insurance and Indemnification" on pages 69-72 and "Employee Benefits Matters" on pages 84-85 of the Preliminary Joint Proxy Statement/Prospectus included in the form S-4.

Anthem does not believe that any change in control payments to WellPoint employees other than executive officers will be material to Anthem.

38. Please provide us with a post-merger chart of the senior executive management that is currently anticipated.

Upon closing of the Merger, Leonard Schaeffer will serve as the non-executive Chairman of the Board of Directors of Anthem, Larry Glasscock will serve as President and Chief Executive Officer, and David Colby will serve as Chief Financial Officer. In addition, the presidents of WellPoint's Blue Cross and Blue Shield plans will be asked to continue in their current positions. These are the only decisions made to date regarding the senior executive management of Anthem on a post-merger basis. As such, Anthem has not prepared a post-merger chart of the senior executive management.

39. What is the effect of the merger on the Long Term Incentive Plan for Anthem executive officers? Will the merger alone increase or tend to increase executive officer s' awards to the maximum of their respective ranges? What does Anthem, Inc. anticipate to be the likely incremental increase in the overall cost of the awards for the executive officers under the Long Term Incentive Plan as a result of the merger? In the opinion of Anthem's senior management, should the anticipated effect of the merger on the Long Term Incentive Plan for participants other than executive officers be regarded as material?

The Merger will have no effect on awards or payments under the Long Term Incentive Plan ("LTIP"). The performance period 2001-2003 under the LTIP ended prior to the completion of the Merger and, therefore, the awards were not impacted by the proposed Merger. The Merger would not impact the LTIP with respect to non-executive officers or executive officers.

Regulatory Actions and Contingencies

40. Why was there a substantial increase in the number of complaints against Anthem Health Care Plans of Virginia, Inc. in 2003?

Information publicly available from the National Association of Insurance Commissioners ("NAIC") indicates that there were 11 complaints against Anthem Health Plans of Virginia, Inc. during 2002. Anthem believes that the Virginia Bureau of Insurance ("Bureau") reported complaints only related to Medicare Supplement policies in 2002. Data for 2003 is not publicly available from the NAIC or the Bureau. If the 2003 data includes complaints relating to all lines of business written by Anthem Health Plans of Virginia, Inc., the number of reported complaints could increase.

Anthem seeks to provide distinctive customer service, and it measures strength in customer service by the market. For example, a recent survey of physicians and dentists in the service area of Anthem Health Plans of Virginia, Inc. reported that more than 78% of physicians find Anthem easy to do business with and 46% rate Anthem overall "the best plan to do business with." Anthem's PAR/PPO plans scored higher than the plans of its major competitors on factors including ease of doing business, quality of service and claims processing. This reflects high levels of customer confidence and satisfaction.

41. Please describe material pending litigation in which the parties to the proposed merger are involved.

Descriptions of material pending litigation in which Anthem and WellPoint are involved are contained in Attachment A for Anthem and Attachment B for WellPoint.

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