Responses to Comment Letter dated August 18, 2003

1. *Please provide specific information with respect to the terms and covenants on WellPoint's 6 3/8% Notes due in 2006 and 2012.*

   Attached hereto as Exhibit 1, please find a copy of the covenants that apply to the 6-3/8% Notes due 2006 and the 6-3/8% Notes due 2012. The attached Exhibit is excerpted from the Amended and Restated Indenture dated as of June 8, 2001 by and between WellPoint and The Bank of New York, which governs both Note issuances. The only substantive restriction contained in these covenants is Section 3.6, which places certain limitations on WellPoint's ability to create liens on its property without also equally securing the Notes. In WellPoint's experience, the affirmative and negative covenants contained in Exhibit 1 are typical for debt issuances by companies with a market capitalization and credit rating similar to WellPoint. Please note that the Notes are obligations of WellPoint solely and are not obligations of, or secured by the stock of, any subsidiaries of WellPoint.

2. *Please provide copies of the WellPoint Group's tax allocation agreement and general cost allocation agreement.*

   Attached hereto as Exhibit 2A is WellPoint's existing Tax Allocation Agreement. It is anticipated that, following the merger, WellPoint would seek the OCI's approval for Cobalt and its subsidiaries to become parties to this agreement.

   Attached hereto as Exhibit 2B is a form of master services agreement currently in place for some of WellPoint's affiliates. WellPoint anticipates that, following the merger, WellPoint would seek the OCI's approval for Cobalt and its subsidiaries to enter into a similar agreement.

3. *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 executives or do the executives have to terminate their employment to receive compensation under the change in control provisions of their employment arrangements?*

   The executive change-in-control payments described in the Form S-4 are so-called "double trigger" payments. That is, in order to receive the payments, the executive must suffer an involuntary termination without cause, experience a substantial change in his or her responsibilities or authority, or have his or her salary or benefits reduced within the six-month period immediately before or the 24-month period immediately following completion of the change-in-control transaction. In situations other than involuntary termination, the affected executive must actually resign his or her position with the company in order to receive the change-in-control payment.

4. *How is it anticipated that Cobalt Corporation will fund the executive change in control payments?*

   It is anticipated that any change of control payments made would be funded with cash flow from operations.

5. *In an article by the Associated Press dated June 4, 2003, WellPoint spokesman Ken Ferber is quoted as saying that the acquisition of Cobalt Corporation will result in $30 million in cost savings and additional revenue over the next four years. Please provide a breakdown of the components of expense, cost savings and additional revenues that comprise this $30 million figure.*

   Based on WellPoint's experience in prior transactions, WellPoint believes that achievable revenue and cost synergies will exceed $30 million per year within four years after closing. Anticipated revenue synergies include sales of new individual, small group and senior products, expansion of WellPoint's pharmacy benefit management services, introduction of WellPoint's owned mail order pharmacy fulfillment services, sales of additional life and dental products to Cobalt's membership and increased focus on serving national accounts. Anticipated cost synergies include lower administrative costs through reduced duplicative corporate overhead costs and reduction in outsourced services.

6. *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 Cobalt Corporation?*

   WellPoint intends to finance the cash portion of the consideration to be paid to Cobalt's shareholders from cash flow from operations and by issuing public or private indebtedness or borrowing under WellPoint's revolving credit facility. It is anticipated that any public indebtedness issued would mature in five to 10 years. The debt under WellPoint's existing revolving credit facility must be repaid by March 2006, although WellPoint anticipates negotiating a replacement credit facility upon expiration of the current facility. WellPoint intends to repay all debt incurred in connection with the Cobalt transaction from cash flow from operations.

7. *What effect would WellPoint's acquisition and chosen method of debt financing of the transaction be anticipated to have on the factors determining rate levels?*

   WellPoint does not anticipate the transaction or WellPoint's chosen method of financing will have any direct impact on Cobalt's premium rates.

8. *What assets, if any, would be pledged to secure the debt that will be incurred to fund the purchase of Cobalt Corporation?*

   No assets would be pledged in connection with WellPoint's financing of the cash portion of the consideration to be paid to Cobalt's shareholders.

9. *What are WellPoint's plans to dispose of the WellPoint stock that Blue Cross & Blue Shield United of Wisconsin will hold following the proposed acquisition of control?*

   WellPoint does not have any plans to immediately dispose of the WellPoint common stock to be held by Blue Cross & Blue Shield United of Wisconsin following the merger.

A disposal of the WellPoint common shares held by Blue Cross & Blue Cross United of Wisconsin after the merger would be a taxable event. WellPoint intends to work with the OCI in determining when a disposal would be in the best interests of Blue Cross & Blue Shield United of Wisconsin.

10. *What are the circumstances surrounding the subpoena from the U.S. Attorney's office for documents related to the now-vacated bid to acquire CareFirst, Inc.?*

As stated in WellPoint's Form 10-Q filed with the U.S. Securities and Exchange Commission on August 14, 2003, WellPoint received a Grand Jury subpoena in August 2003 from the United States Attorney's office in the District of Maryland requesting various documents relating to the CareFirst transaction. WellPoint intends to respond to the request and cooperate fully with the United States Attorney. WellPoint has no reason to believe it is a target of the proceedings.

11. *In reviewing the history and financial situations of WellPoint's existing insurance subsidiaries, it was noted that UNICARE of Texas Health Plans, Inc. and National Capital Health Plan, Inc. each had their certificates of authority voluntarily withdrawn. Why do these corporations remain in existence?*

UNICARE of Texas Health Plans, Inc. was formed by WellPoint several years ago as part of WellPoint's business development strategy in the state of Texas. Its certificate of authority was subsequently voluntarily withdrawn when WellPoint modified its growth plans in the state to de-emphasize HMO products and instead focus on open access plans. National Capital Health Plan, Inc. was established to conduct business in the Maryland/Virginia area as a part of a joint venture with a local hospital system under a proposed transaction that was not ultimately consummated.

WellPoint has not dissolved either of these corporations in order to ensure that all ordinary course liabilities have been fully extinguished. Neither of these corporations is currently conducting any business operations.

12. *Since the parties' preparedness to close on the transaction is now imminent, who will serve as directors and officers of each of the following insurance corporations following the merger: Blue Cross and Blue Shield United 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.?*

Although WellPoint has not completed all of its planning and therefore changes are possible, it is currently WellPoint's intent to have the Boards of Directors of the OCI-licensed entities other than Unity Health Plans Insurance Corp. and Valley Health Plan, Inc. be comprised of the following five individuals: Leonard D. Schaeffer, David C. Colby, Thomas C. Geiser, Stephen E. Bablitch and Michael E. Bernstein. The envisioned officers are: Chairman - Leonard D. Schaeffer, Chief Executive Officer - Stephen E. Bablitch, President - Michael E. Bernstein, Chief Financial Officer - Gail L. Hanson, Controller - Kenneth C. Zurek, Secretary - Thomas C. Geiser, Assistant Secretary - Lorna

J. Granger, Assistant Secretary - Robert A. Kelly. WellPoint does not intend to make any changes to the Board of Directors or officers of Unity Health Plans Insurance Corp. or Valley Health Plan, Inc. until it has had an opportunity to discuss this matter with the other organizations associated with those licensed entities.

WellPoint will file with the OCI formal documentation of any changes of the Boards of Directors and/or officers of the specified entities at such time as the changes are effected.

13. Please send me biographical affidavits on the NAIC form for the following directors and officers and WellPoint Health Networks Inc.:

- *a. Leonard D. Schaeffer*
- *b. Roger E. Birk*
- *c. Sheila P. Burke*
- *d. William H.T. Bush*
- *e. Julie A. Hill*
- *f. Warren Y. Jobe*
- *g. Ramiro G. Peru*
- *h. Jane G. Pisano*
- *i. Elizabeth A. Sanders*
- *j. D. Mark Weinberg*
- *k. David C. Colby*
- *l. Thomas C. Geiser*
- *m. David S. Helwig*
- *n. Joan E. Herman*
- *o. Rebecca A. Kapustay*
- *p. Woodrow A. Myers, Jr.*
- *q. John A. O'Rourke*
- *r. Alice F. Rosenblatt*
- *s. John S. Watts, Jr.*
- *t. Ronald J. Ponder*
- *u. Kenneth C. Zurek*
- v. *Robert A. Kelly*

The requested affidavits are attached hereto as Exhibit 13.

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