

FORM A
STATEMENT REGARDING THE ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER

**Blue Cross & 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.**

(Names of Domestic Insurers - To Be Acquired)

By

Crossroads Acquisition Corp.
a direct wholly owned subsidiary of
WellPoint Health Networks Inc.
(Name of Acquiring Person - Applicant)

Filed with the Office of the Commissioner of Insurance,
State of Wisconsin

Date: June 20, 2003

**Notices and correspondence concerning this Form A Statement
should be addressed to:**

Thomas C. Geiser
Executive Vice President and General Counsel
WellPoint Health Networks Inc.
1 WellPoint Way
Thousand Oaks, CA 91362

with copy to:

David J. Hanson, Esq.
Michael Best & Friedrich LLP
One South Pinckney Street, Suite 700
P.O. Box 1806
Madison, Wisconsin 53701
Telephone: (608) 257-3501
Facsimile: (608) 283-2275

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (this "Acquisition Statement") seeks the prior approval of the Commissioner of Insurance of the State of Wisconsin for the acquisition of control, as described herein (the "Proposed Transaction"), of Cobalt Corporation, a Wisconsin insurance holding corporation ("Cobalt"), and the indirect control of its insurance subsidiaries, including Blue Cross & Blue Shield United of Wisconsin ("BCBSUW"), Compcare Health Services Insurance Corporation ("Compcare"), Unity Health Plans Insurance Corporation ("Unity"), United Heartland Life Insurance Company ("United Heartland"), United Wisconsin Insurance Company ("United Wisconsin"), and Valley Health Plan, Inc. ("Valley Health Plan") (collectively, the "Acquired Subsidiaries"), by WellPoint Health Networks Inc., a Delaware corporation ("WellPoint"), and Crossroads Acquisition Corp., a Delaware corporation ("Crossroads") and a direct, wholly owned subsidiary of WellPoint.

ITEM 1. INSURERS AND METHOD OF ACQUISITION.

The names and addresses of the domestic insurers to which this application relates are:

Blue Cross & Blue Shield United of Wisconsin
401 W. Michigan Street
Milwaukee, WI 53203-2896

United Heartland Life Insurance Company
P.O. Box 2013
Milwaukee, WI 53201-2013

Compcare Health Services Insurance Corporation
20855 Watertown Road, Suite 140
Waukesha, WI 53186

United Wisconsin Insurance Company
P.O. Box 2013
Milwaukee, WI 53201-2013

Unity Health Plans Insurance Corporation
840 Carolina Street
Sauk City, WI 53583

Valley Health Plan, Inc.
P.O. Box 3128
Eau Claire, WI 54702

Control of the Acquired Subsidiaries will be indirectly acquired by WellPoint pursuant to an Agreement and Plan of Merger by and among WellPoint, Crossroads and Cobalt (the "Merger Agreement"), which is attached to this Acquisition Statement as Exhibit I-A, and a Voting and Lockup Agreement (the "Voting Agreement") by and between WellPoint and Wisconsin United for Health Foundation, Inc., a Wisconsin nonstock corporation (the "Foundation"), which is attached to this Acquisition Statement as Exhibit I-B.

Pursuant to the Merger Agreement, Cobalt will be merged with and into Crossroads (the "Merger"), a Delaware corporation and a direct, wholly owned subsidiary of WellPoint. Cobalt's separate corporate existence will cease and Crossroads will continue as the surviving corporation under the name "Cobalt Corporation." In lieu of Cobalt being merged with and

into Crossroads, WellPoint may make a reverse merger election (the “Reverse Merger Election”) to cause the “Merger” to be a merger of Crossroads with and into Cobalt, in which case Crossroads’ separate corporate existence will cease and Cobalt will continue as the surviving corporation. In either event, WellPoint will indirectly control all of the Acquired Subsidiaries.

Each share of Cobalt common stock held by Cobalt, WellPoint and Crossroads will be canceled and retired and will cease to exist. Each share of Cobalt common stock held by subsidiaries of Cobalt will be converted into the right to receive WellPoint common stock as more fully described in Item 4 of this Acquisition Statement. Other than the shares of Cobalt common stock held by Cobalt, WellPoint, Crossroads and Cobalt’s subsidiaries, each share of Cobalt common stock issued and outstanding will be converted into a consideration amount comprised of cash and WellPoint common stock, as more fully described in Item 4 of this Acquisition Statement. The estimated aggregate value of the merger consideration is Nine Hundred Six Million Dollars (\$906,000,000).

In addition to certain regulatory and third party approvals, the affirmative vote of a majority of all the votes entitled to be cast on the plan of merger is necessary to approve the Merger. Pursuant to the Voting Agreement, the Foundation has agreed to vote or cause to be voted all of its shares of Cobalt common stock in favor of the Merger. The terms of the Voting Agreement are more fully described in Item 8 of this Acquisition Statement.

In connection with the Proposed Transaction, WellPoint will file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 containing a proxy statement-prospectus (the “Registration Statement”). Upon filing the Registration Statement with the SEC, WellPoint will also provide a copy of the Registration Statement to the Wisconsin Commissioner of Insurance.

The resolutions of the Boards of Directors of Cobalt, WellPoint and Crossroads approving the Merger and related documents are attached to this Acquisition Statement as Exhibits 1-C, 1-D and 1-E, respectively.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT.

- (a) The name and address of the applicants are:

WellPoint Health Networks Inc.
1 WellPoint Way
Thousand Oaks, CA 91362

Crossroads Acquisition Corp.
1 WellPoint Way
Thousand Oaks, CA 91362

(b) WellPoint is currently one of the nation's largest publicly-traded managed health care companies. The common stock of WellPoint (symbol: WLP) is traded on the New York Stock Exchange ("NYSE"). WellPoint, through its subsidiary, UNICARE Life & Health Insurance Company, a Delaware domiciled stock health insurance corporation ("UNICARE"), has limited health insurance operations in Wisconsin, with direct written premium amounting to approximately 0.08% of the Accident and Health market for the year 2001. The total direct written premiums for 2002 are currently being calculated by the Wisconsin Health Insurance Risk Sharing Plan. Approximately 3,740 Wisconsin residents have health insurance and 7,811 Wisconsin residents have self-funded health benefits through UNICARE. WellPoint also provides network rental services for self-insured accounts covering approximately 58,950 Wisconsin residents through its indirectly owned subsidiary HealthLink, Inc. ("HealthLink").

Through its affiliated companies, WellPoint serves the health care needs of approximately 13.5 million medical members and approximately 49 million specialty members nationwide. WellPoint offers a broad spectrum of network-based health care benefit plans, including health maintenance organizations, preferred provider organizations, point-of-service plans, and other hybrid plans and traditional indemnity plans to large and small employers, individual and senior markets. In addition, WellPoint offers services for self-funded employers under management service contracts, including claims processing, actuarial services, network access, medical cost management and other administrative services. WellPoint also provides a broad array of specialty and other products, including pharmacy benefit management, dental, medical management, vision, life, preventive care, disability, behavioral health, long term care insurance, COBRA, Medicare supplement and flexible benefits account administration. For a more detailed description of WellPoint's business, please see the following:

- WellPoint's Annual Reports on Form 10-K for the years ended December 31, 2002, 2001, 2000, 1999 and 1998, attached as Exhibits 2-A, 2-B, 2-C, 2-D and 2-E, respectively, (the "Annual Reports on Form 10-K");
- WellPoint's 2002, 2001, 2000, 1999 and 1998 Annual Reports to Stockholders, attached as Exhibits 2-F, 2-G, 2-H, 2-I and 2-J, respectively, (the "Annual Reports to Stockholders"); and
- WellPoint's Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2003, attached as Exhibit 2-K (the "Quarterly Report on Form 10-Q").

WellPoint's financial condition, including the amount and character of its total assets and total liabilities at December 31, 2002, 2001, 2000, 1999 and 1998 and at March 31, 2003, is set forth in its Annual Reports on Form 10-K, its Annual Reports to Stockholders and its Quarterly Report on Form 10-Q. As of March 31, 2003, WellPoint had assets of \$12.1 billion and total stockholders' equity of \$4.0 billion. For the three months ended March 31, 2003, WellPoint had gross revenues of \$4.8 billion, operating income of \$341.6 million, and net income of \$193 million. As of December 31, 2002, WellPoint had assets of \$11.5 billion and total stockholders' equity of \$4.0 billion. For the year ended December 31, 2002, WellPoint had gross revenues of \$17.3 billion, operating income of \$1.3 billion and net income of \$703 million.

WellPoint was organized in 1992 to own and operate substantially all of the prepaid health care business of Blue Cross of California ("BCC"). This business was transferred from BCC to WellPoint, BCC's then wholly-owned subsidiary, effective as of February 1, 1993. WellPoint then conducted an initial public offering of its shares of common stock. Since January 27, 1993, WellPoint Common Stock has been listed on the NYSE. On May 20, 1996, WellPoint and BCC underwent a recapitalization transaction, which resulted in the combination of WellPoint and BCC into the entity now known as WellPoint. In connection with this recapitalization transaction, WellPoint formed two new charitable foundations that received cash and shares of common stock of WellPoint that resulted in an initial charitable endowment of approximately \$3 billion, which has now grown to approximately \$4 billion, largely as a result of the performance of the common stock of WellPoint. In 1996, WellPoint acquired the Life and Health Benefits Management Division of Massachusetts Mutual Life Insurance Company. In 1997, WellPoint acquired the Group Benefits Operation of John Hancock Mutual Life Insurance Company. In August 1997, WellPoint reincorporated in the State of Delaware.

In 2000, WellPoint completed the acquisition of Rush Prudential Health Plans and a mail order pharmacy fulfillment facility which now operates under the name of Precision Rx. Effective March 15, 2001, WellPoint acquired and merged with Cerulean Companies, Inc., a Georgia corporation, which resulted in WellPoint acquiring, among other subsidiaries of Cerulean, Blue Cross and Blue Shield of Georgia, Inc. Effective January 31, 2002, WellPoint acquired RightCHOICE Managed Care, Inc., a Delaware corporation doing business as Blue Cross and Blue Shield of Missouri, and its wholly owned subsidiaries. Effective April 30, 2002, WellPoint completed its acquisition of MethodistCare, Inc., which served over 70,000 members in Houston, Texas and surrounding areas at the time of the acquisition.

WellPoint entered into a definitive agreement to acquire CareFirst, Inc. ("CareFirst") on November 20, 2001. The agreement was amended and restated as of January 24, 2003. CareFirst is a not-for-profit health care company which, along with its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products, direct health care and administrative services to approximately 3.2 million people in Maryland, Delaware, the District of Columbia and Northern Virginia. CareFirst operates through three wholly owned affiliates: CareFirst of Maryland, Inc., Group Hospitalization and Medical Services, Inc., doing business under the name CareFirst BlueCross BlueShield, and Blue Cross Blue Shield of Delaware, Inc.

The consummation of the CareFirst transaction was subject to a number of conditions, including the approval of the insurance regulators in Maryland, Delaware and the District of Columbia for the conversion of CareFirst from a non-profit corporation to a for-profit entity. On March 5, 2003, the Maryland insurance commissioner issued an order disapproving this conversion. In April 2003, WellPoint announced its decision not to appeal the order. WellPoint is currently evaluating the transaction with CareFirst and the circumstances surrounding the transaction.

A brief description of the primary health insurance affiliates of WellPoint follows:

UNICARE

UNICARE Life & Health Insurance Company is WellPoint's national non-"Blue" organization dedicated to the delivery of quality health care plans and products since 1996. Serving approximately 1.7 million medical members, UNICARE employs over 3,000 fulltime associates. UNICARE writes a small amount of business within the State of Wisconsin.

With a reputation for innovation, UNICARE is committed to establishing a relationship with its customers as a trusted partner. UNICARE's strategy is to offer a diversified mix of products that preserve member choice at competitive prices while focusing on the development of new hybrid plans that take advantage of the best characteristics of traditional managed care and innovative open access models.

BLUE CROSS OF CALIFORNIA

BCC has been serving the health care benefit needs of Californians since 1937. As the California operating subsidiary of WellPoint, BCC, together with its Blue branded affiliate BC Life & Health Insurance Company, provides services to approximately 7.2 million California members. BCC employs more than 6,200 full-time associates.

Offering a full continuum of product coverage options, BCC provides customers with unparalleled choice and flexibility in meeting their health plan needs. These options are continually fine-tuned to enhance access to affordable, quality health care. With its strong track record for innovation, BCC focuses on products and services designed to improve the health status of all Californians. Unique product offerings available in the individual, small group, large group, senior and Medi-Cal markets include a full range of medical and specialty products.

BLUE CROSS AND BLUE SHIELD OF GEORGIA

Blue Cross and Blue Shield of Georgia is WellPoint's operating subsidiary in Georgia. Blue Cross and Blue Shield of Georgia employs approximately 3,000 associates and is Georgia's largest and oldest health insurer, providing health benefits to more than 2.4 million Georgians.

Founded in 1937, Blue Cross and Blue Shield of Georgia is headquartered in Atlanta, with major operation centers in Atlanta and Columbus. Blue Cross and Blue Shield of Georgia offers significant value to its members by providing a wide range of products, including traditional indemnity insurance, open-access plans and managed care products. Blue Cross and Blue Shield of Georgia also markets specialty products, including life insurance, dental, vision, mental health and pharmacy.

BLUE CROSS AND BLUE SHIELD OF MISSOURI

Effective January 31, 2002, WellPoint acquired RightCHOICE Managed Care, Inc., d/b/a Blue Cross and Blue Shield of Missouri ("RightCHOICE"). RightCHOICE serves approximately 1.0 million total members and is the largest provider of health care benefits in Missouri.

Except as stated in Item 5, WellPoint intends to continue to conduct its business, and to cause its subsidiaries to continue to conduct their businesses, substantially in the manner in which such businesses are now conducted. WellPoint intends to continue to expand its own and its subsidiaries' operations through internal growth and possible further acquisitions.

(c) Attached as Exhibit 2-L is the present organizational structure of WellPoint and its affiliates, each of which is a corporation or limited liability company (other than UNICARE Health Plans, which is a general partnership). The jurisdiction of incorporation or formation of each affiliate is indicated. Each affiliate identified in Exhibit 2-L is owned 100% by its immediate parent, or another direct or indirect wholly-owned subsidiary of WellPoint, except that WellPoint owns:

- only 50% of the voting securities of The Industry MSO, Inc., a California corporation;
- only 50% of the voting securities of MCS Health Management Options, Inc., a Puerto Rico corporation;
- only 51% of the voting securities of Atlanta Healthcare Partners, Inc., a Georgia corporation;
- only 82% of the voting securities of National Capital Preferred Provider Organization, Inc., a Maryland corporation; and
- only a 50% interest, through its ownership of RightCHOICE, of The EPOCH Group, L.L.C..

Attached as Exhibit 2-M is the proposed organizational structure of WellPoint and its affiliates, assuming the closing of the Proposed Transaction.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT.

The following are the current members of the Board of Directors and executive officers of WellPoint:

DIRECTORS:

Name: Leonard D. Schaeffer
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: June 2003-present – Director and President, Crossroads Acquisition Corp.; August 1992-present - Chief Executive Officer and Chairman of the Board of WellPoint Health Networks Inc.
Crimes: None.

Name: Roger E. Birk
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Retired Businessman
All Offices and Positions held during past 5 years: N/A
Crimes: None.

Name: Sheila P. Burke
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businesswoman
All Offices and Positions held during past 5 years: July 2000-present – Undersecretary, American Museums and National Programs of the Smithsonian Institution; December 1996-July 2000 - Executive Dean, The John F. Kennedy School of Government Harvard University
Crimes: None.

Name: William H. T. Bush
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businessman
**All Offices and Positions
Held during past 5 years:** April 1994-January 2002 – Director and
Chairman of the audit committee, the finance
and investment committee and the nominating
committee, RightCHOICE;
1986-present – Chairman, Bush-O'Donnell &
Company, Inc.
Crimes: None.

Name: Julie A. Hill
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businesswoman
**All Offices and Positions
held during past 5 years:** December 1998-December 2002 - President and
owner, Hiram-Hill Development Company;
January 1991-November 1998 - President and
Chief Executive Officer, Costain Homes, Inc.
Crimes: None.

Name: Warren Y. Jobe
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Retired Businessman
**All Offices and Positions
held during past 5 years:** 1998-2001 - Senior Vice President, Southern
Company;
1998-June 2001 - Executive Vice President,
Georgia Power Company;
1982-1998 - Executive Vice President and Chief
Financial Officer, Georgia Power Company;
March 1999-March 2001- Director, Blue Cross
and Blue Shield of Georgia
Crimes: None.

Name: Ramiro G. Peru
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businessman
All Offices and Positions held during past 5 years: January 1997-May 1999 - Senior Vice President, Phelps Dodge Corp.;
May 1999-present - Senior Vice President and Chief Financial Officer, Phelps Dodge Corp.
Crimes: None.

Name: Jane G. Pisano, Ph.D.
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businesswoman
All Offices and Positions Held during past 5 years: November 2001-present – President and Director, Natural History Museum of Los Angeles County;
1998-November 2001 - Senior Vice President, External Relations of the University of Southern California (“USC”);
1994-1998 - Vice President External Relations, USC’s School of Public Administration
Crimes: None.

Name: Elizabeth A. Sanders
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businesswoman
All Offices and Positions held during past 5 years: Principal - The Sanders Partnership
Crimes: None.

OFFICERS:

Name: Leonard D. Schaeffer
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: June 2003-present – Director and President, Crossroads Acquisition Corp.; August 1992-present - Chief Executive Officer and Chairman of the Board of WellPoint Health Networks Inc.
Crimes: None.

Name: D. Mark Weinberg
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: February 2002-present - Executive Vice President and Chief Development Officer, WellPoint Health Networks Inc.; March 1999-February 2002 - Executive Vice President, Individual and Small Group Division, WellPoint Health Networks Inc.; October 1995-March 1999 - Executive Vice President, UNICARE Businesses of WellPoint
Crimes: None.

Name: David C. Colby
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Chief Financial Officer
All Offices and Positions held during past 5 years: October 1997-present - Executive Vice President and Chief Financial Officer, WellPoint Health Networks Inc.; April 1996-October 1997 - Executive Vice President and Chief Financial Officer, American Medical Response;
Crimes: None.

Name: Thomas C. Geiser
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Attorney
All Offices and Positions held during past 5 years: June 2003-present-Director, Secretary, Treasurer and Vice President, Crossroads Acquisition Corp.;
May 1996-present - Executive Vice President, General Counsel and Secretary, WellPoint Health Networks Inc.
Crimes: None.

Name: David S. Helwig
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: February 2002-present - Executive Vice President, Blue Cross of California Businesses, WellPoint Health Networks Inc.;
March 2001-January 2002 - Executive Vice President Large Group Division, WellPoint Health Networks Inc.;
May 2002-March 2001 - Senior Vice President, Western Region Large Group Businesses, WellPoint Health Networks Inc.;
March 1999-May 2000 - Senior Vice President and Chief Actuary, WellPoint Health Networks Inc.;
1995-March 1999 - Senior Vice President, Individual & Small Group Services
Crimes: None.

Name: Joan E. Herman
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Businesswoman
All Offices and Positions held during past 5 years: March 2000-present - Executive Vice President, Senior, Specialty and State Sponsored Programs, WellPoint Health Networks Inc.;
April 1999-March 2000 - Executive Vice President, Senior and Specialty Businesses, WellPoint Health Networks Inc.;
June 1998-March 1999 - Executive Vice President, Specialty Businesses, WellPoint Health Networks Inc.;
1982-May 1998 - Senior Vice President, Phoenix Home Life Mutual Insurance Company
Crimes: None.

Name: Rebecca A. Kapustay
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businesswoman
All Offices and Positions held during past 5 years: January 2003-present - Executive Vice President, Central Services, WellPoint Health Networks Inc.;
March 2001-January 2003 - Executive Vice President, Blue Cross Blue Shield of Georgia, WellPoint Health Networks Inc.;
May 1994-2000 - various positions with WellPoint Health Networks Inc.
Crimes: None.

Name: Woodrow A. Myers, Jr., M.D.
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Chief Medical Officer
All Offices and Positions held during past 5 years: September 2000-present - Executive Vice President and Chief Medical Officer, WellPoint Health Networks Inc.;
1995-September 2000 - Director of Healthcare Management of Ford Motor Company
Crimes: None.

Name: John A. O'Rourke
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation Health Insurance - Businessman
All Offices and Positions held during past 5 years: January 2002-present - Executive Vice President, Central Region Businesses, WellPoint Health Networks Inc.;
February 1997-January 31, 2002 - Chairman and Chief Executive Officer of RightCHOICE;
January 1985-February 1997 - President and Chief Executive Officer of HealthLink, Inc.
Crimes: None.

Name: Alice F. Rosenblatt
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance – Businesswoman and Chief Actuary
All Offices and Positions held during past 5 years: March 2002-present - Executive Vice President and Chief Actuary, WellPoint Health Networks Inc.;
October 1996-March 2002 - Senior Vice President and Chief Actuary, WellPoint Health Networks Inc.
Crimes: None.

Name: John S. Watts, Jr.
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance – Businessman
All Offices and Positions held during past 5 years: January 2003-present - Executive Vice President, Blue Cross Blue Shield of Georgia, WellPoint Health Networks Inc.;
March 2001-January 2003 - Senior Vice President, Blue Cross Blue Shield of Georgia, Large Group Division;
February 2000-March 2001 - Acting Senior Vice President, UNICARE;
1995-February 2000 - various positions for Blue Cross of California
Crimes: None.

Name: Ronald J. Ponder, Ph.D.
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Information Officer
All Offices and Positions held during past 5 years: July 2002–present - Executive Vice President, Information Services and Chief Information Officer, WellPoint Health Networks Inc.;
April 1999-June 2002 - President and Chief Executive Officer of Telecom, Media & Networks Americas, a Cap Gemini Ernst & Young Company;
November 1997-April 1999 – President and Chief Executive Officer of BDSI, Inc.
Crimes: None.

Name: Kenneth C. Zurek
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Financial Officer
All Offices and Positions held during past 5 years: March 2000-present - Senior Vice President, Controller and Taxation, WellPoint Health Networks Inc.;
February 1995-February 2000 - Vice President, Taxation, WellPoint Health Networks Inc.
Crimes: None.

The following are current members of the Board of Directors and executive officers of Crossroads:

DIRECTORS:

Name: Leonard D. Schaeffer
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: June 2003-present – Director and President, Crossroads Acquisition Corp.;
August 1992-present - Chief Executive Officer and Chairman of the Board of WellPoint Health Networks Inc.
Crimes: None.

Name: Thomas C. Geiser
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Attorney
All Offices and Positions held during past 5 years: June 2003-present-Director, Secretary, Treasurer and Vice President, Crossroads Acquisition Corp.;
May 1996-present - Executive Vice President, General Counsel and Secretary, WellPoint Health Networks Inc.
Crimes: None.

OFFICERS:

Name: Leonard D. Schaeffer
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Health Insurance - Businessman
All Offices and Positions held during past 5 years: June 2003-present – Director and President, Crossroads Acquisition Corp.; August 1992-present - Chief Executive Officer and Chairman of the Board of WellPoint Health Networks Inc.
Crimes: None.

Name: Thomas C. Geiser
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Attorney
All Offices and Positions held during past 5 years: June 2003-present-Director, Secretary, Treasurer and Vice President, Crossroads Acquisition Corp.; May 1996-present - Executive Vice President, General Counsel and Secretary, WellPoint Health Networks Inc.
Crimes: None.

Name: Robert Alan Kelly
Business Address: 1 WellPoint Way
Thousand Oaks, CA 91362
Principal Occupation: Attorney
All Offices and Positions held during past 5 years: Positions Held in last Five Years: June 2003-Present, Asst. Treasurer, Asst. Secretary and Vice President, Crossroads Acquisition Corp.; November 1998-Present, Vice President, Legal Services, WellPoint Health Networks Inc.; April 1996-November 1998, Senior Counsel, WellPoint Health Networks Inc.
Crimes: None.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION.

(a) The aggregate consideration payable by WellPoint in connection with the Merger is valued at approximately Nine Hundred Six Million Dollars (\$906,000,000) (the "Merger Consideration") or \$20.50 per share of common stock of Cobalt.

At the closing of the Proposed Transaction, each share of Cobalt common stock held by Cobalt, WellPoint and Crossroads will be canceled and retired and will cease to exist. Each share of Cobalt common stock held by subsidiaries of Cobalt will be converted into the right to receive two (2) times the Exchange Ratio (as defined below) in WellPoint common stock. Other than the shares of Cobalt common stock held by Cobalt, WellPoint, Crossroads and Cobalt's subsidiaries, each share of Cobalt common stock issued and outstanding will be converted into the right to receive (i) \$10.25 in cash and (ii) the Exchange Ratio of a fully paid and nonassessable share of WellPoint common stock.

The Foundation will receive, upon the closing of the Proposed Transaction, cash and WellPoint common stock, as described in the preceding paragraph, for each share of Cobalt common stock that the Foundation holds. The Foundation will continue to use its assets to serve the public health needs of the residents of Wisconsin.

The "Exchange Ratio" means 0.1233 shares of WellPoint common stock (valued at \$10.25 per share at the market close on June 3, 2003). The "Exchange Ratio" is subject to adjustment if the price of WellPoint's common stock falls below \$70.97 so that shareholders of Cobalt receive no less than \$8.75 per share in WellPoint common stock consideration and no less than \$19.00 aggregate consideration for each share.

The cash portion of the Merger Consideration, in the amount of approximately \$453 million, will be paid from WellPoint's cash on hand, supplemented by the issuance of indebtedness under WellPoint's existing shelf registration statement or commercial paper program or by borrowings under WellPoint's unsecured revolving credit facilities allowing aggregate indebtedness of \$1.0 billion in principal amount. Borrowings under these facilities bear interest at rates determined by reference to the bank's base rate or to the London InterBank Offered Rate ("LIBOR") plus a margin determined by reference to the then-current rating of WellPoint's senior unsecured long-term debt by specified rating agencies. One facility, which provides for borrowings not to exceed \$750.0 million at any time outstanding, expires as of March 30, 2006, although it may be extended for up to two additional one-year periods under certain circumstances. The other facility, which provides for borrowings not to exceed \$250.0 million at any time outstanding, expires as of March 26, 2004. Any amount outstanding under this facility as of March 26, 2004 may be converted into a one-year term loan at the option of WellPoint. As of March 31, 2003, there were no amounts outstanding under the revolving credit facilities. Copies of the credit facilities are attached hereto as Exhibit 4-A and Exhibit 4-B.

(b) The amount and nature of the Merger Consideration set forth in the Merger Agreement was the result of extensive arm's length negotiations conducted between WellPoint and Cobalt. The negotiation process, in which legal counsel and independent

financial advisors from each side actively participated, resulted in what the parties and their financial advisors believe to be fair consideration for the Merger. In determining such amount, the parties considered, among other factors, the value of Cobalt and the Acquired Subsidiaries, including, without limitation, their earnings and cash flows, the character and quality of their assets, and the extent of their liabilities.

Cobalt's Board of Directors obtained a written opinion from UBS Warburg LLC ("UBS Warburg") regarding the fairness of the Merger from a financial point of view. Specifically, on June 3, 2003, UBS Warburg rendered an opinion to the Board of Directors of Cobalt that, as of that date and based on and subject to the assumptions made, matters considered and limitations described in that opinion, the Merger Consideration was fair from a financial point of view. The description of the UBS Warburg opinion contained herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Exhibit 4-C to this Acquisition Statement.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER.

WellPoint has no present plans to cause BCBSUW, Compcare, Unity, United Heartland, United Wisconsin, or Valley Health Plan to declare any extraordinary dividend, to liquidate them, to sell any of their assets, or to merge or consolidate them with any person or persons, other than as contemplated by the Merger. There also are presently no plans to make any other material change in any of the Acquired Subsidiaries' business operations or corporate structure, other than as may be provided herein or as may arise in the ordinary course of business, and other than to achieve the synergies that normally arise in substantial acquisitions. No name changes of entities involved in the Proposed Transaction are anticipated. BCBSUW will continue to be headquartered in Wisconsin. Further, Milwaukee will be the national headquarters for WellPoint's Medicare Part A claim processing business. WellPoint has a proven expertise in the development of innovative and cost-effective health benefit products and, if appropriate after studying the local markets, will endeavor to enhance the product portfolios of Cobalt and the Acquired Subsidiaries.

Following the close of the Proposed Transaction, until the earlier of their resignation or removal or successors are elected and qualified, the Board of Directors and the officers of Crossroads shall become the Board of Directors and the officers of Cobalt. Further, unless WellPoint makes the Reverse Merger Election, the Certificate of Incorporation and Bylaws of Crossroads, attached as Exhibits 5-A and 5-B, will become the governing documents of "Cobalt" after the effective time of the Merger. If WellPoint makes the Reverse Merger Election, the Amended Articles of Incorporation and Third Amended and Restated Bylaws, attached as Exhibits 5-C and 5-D, will be the governing agreements.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED.

WellPoint intends to acquire 100% of the outstanding shares of Cobalt common stock as described more fully in Items 1 and 4(a) of this Acquisition Statement and in the Merger

Agreement. No other person listed in Item 3 hereof plans to acquire directly any of the stock or any of the voting securities of Cobalt.

The fairness of the Merger Consideration was determined through extensive arm's length negotiation among the parties to the Merger Agreement. As described above, the Board of Directors of Cobalt received a written opinion, dated June 3, 2003, from UBS Warburg to the effect that, as of that date, and based on and subject to various assumptions, matters considered and limitations described in that opinion, the Merger Consideration was fair, from a financial point of view, to the holders of Cobalt's common stock. The description of the UBS Warburg opinion contained herein is qualified in its entirety by reference to the full text of the opinion which is attached as Exhibit 4-C to this Acquisition Statement.

ITEM 7. OWNERSHIP OF VOTING SECURITIES.

WellPoint (through its wholly owned subsidiary BCC) currently owns approximately 712,300 shares of Cobalt common stock. Except as set forth in the preceding sentence, neither WellPoint, its affiliates, nor any person listed in Item 3 hereof beneficially owns or has the right to acquire beneficial ownership of any voting security of Cobalt or the Acquired Subsidiaries.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER.

Pursuant to the Voting Agreement, the Foundation agreed to vote or cause to be voted all of its shares of Cobalt common stock in favor of the merger and against, to the extent permitted, (i) the approval of any other acquisition proposal, or (ii) any amendment of Cobalt's Amended and Restated Articles of Incorporation or Second Amended and Restated Bylaws or other proposal or transaction involving Cobalt or any of its subsidiaries that would in any manner impede, frustrate, prevent or nullify the Merger, the Merger Agreement or any of the other transactions contemplated by the Merger Agreement.

Further, the Foundation agreed to certain restrictions on the transfer of its shares of common stock of Cobalt during the term of the Voting Agreement, including that the Foundation would not:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any of the shares or join in any registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to any of the foregoing;
- enter into swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the shares; or

- create or permit to exist any liens, claims, options, charges or other encumbrances on or otherwise affecting any of the shares.

The Foundation also agreed to enter into a Voting Trust Agreement with WellPoint and a qualified trustee providing for the deposit with the voting trustee of the number of shares of common stock of WellPoint then owned by the Foundation that are in excess of the Ownership Limit (as defined in WellPoint's Restated Certificate of Incorporation). The Voting Trust Agreement will contain limitations only to the extent required by the Blue Cross Blue Shield Association and will replace and supersede the Voting Trust and Divestiture Agreement, dated as of March 23, 2001 among Cobalt, the Foundation, Wisconsin BC Holdings LLC, a Wisconsin limited liability company and the trustee thereunder. The parties do not currently expect that such Voting Trust Agreement will be required after completion of the Merger.

The Voting Agreement terminates and has no further force or effect if the Merger Agreement terminates or if the Board of Directors of Cobalt withholds, withdraws, amends or modifies in a manner adverse to WellPoint its recommendation with respect to the approval and adoption of the Merger Agreement. The Board of Directors of Cobalt is permitted to withhold, withdraw, amend or modify its recommendation if it determines in good faith, after consultation with its outside legal counsel, that the Board of Director's failure to do so is, or is reasonably likely to be, inconsistent with its fiduciary duties in accordance with Wisconsin law.

On December 20, 2002, BCC entered into a "zero-cost-collar" arrangement with Bank One pursuant to which it sold a covered call option and purchased a put option, with respect to 154,000 shares of Cobalt common stock. The exercise price of the put option is \$13.61 and the exercise price of the call option is \$15.41. Only one of the options can be in the money on the expiration date, at which time the in-the-money option will be exercised (and settled for cash), and the other option will expire. If neither option is in the money on September 26, 2003, the expiration date, both options will expire. In connection with such "zero-cost-collar" arrangement, BCC also entered into a pledge agreement pursuant to which 154,000 shares of Cobalt common stock held by BCC are pledged as collateral for BCC's obligations under the "zero-cost-collar" arrangement.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES.

Neither WellPoint, any of its affiliates, nor any person listed in Item 3 hereof, has at any time during the twelve (12) calendar months preceding the filing of this Acquisition Statement, made any purchase of the voting securities of Cobalt or any of the Acquired Subsidiaries.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE.

Except as described in Items 1 and 8 of this Acquisition Statement, neither WellPoint, any of its affiliates, nor any person listed in Item 3 hereof, nor any other person as the result of an interview with or at the suggestion of WellPoint, any of its affiliates, or any person listed in Item 3 hereof, has, directly or indirectly, at any time during the twelve (12) calendar months preceding the filing of this Acquisition Statement, made to any person any recommendation to purchase any voting security of Cobalt or any of the Acquired Subsidiaries.

As described in Item 1, WellPoint will file the Registration Statement in connection with the Proposed Transaction. Attached as Exhibit 10-A and Exhibit 10-B are a press release and presentation materials that may be deemed to be solicitation materials in connection with the Proposed Transaction. The press release and presentation materials were filed with the SEC by WellPoint pursuant to Rule 425 of the Securities Act and Rule 14a-12 of the Securities and Exchange Act of 1934.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS.

No agreement, arrangement or understanding has been made by WellPoint or Cobalt or any of the Acquired Subsidiaries with any broker-dealer as to solicitation of voting securities of Cobalt or any of the Acquired Subsidiaries for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS.

(a) The Financial Statements of WellPoint and Exhibits relating to this Acquisition Statement are attached hereto and incorporated herein by reference, and are listed in Item 12(b) below. The Financial Statements of WellPoint are for the preceding five (5) fiscal years and most recent calendar quarter, as provided in Exhibit 2-A through Exhibit 2-K. These financial statements contain consolidated financial statements for WellPoint and for all of the WellPoint affiliates listed in Exhibit 2-L.

(b) List of Financial Statements and Exhibits.

<u>Exhibit Reference</u>	<u>Description of Exhibit</u>
Exhibit 1-A	Agreement and Plan of Merger, dated June 3, 2003, between WellPoint, Crossroads and Cobalt
Exhibit 1-B	Voting and Lockup Agreement, dated June 3, 2003, between WellPoint and the Foundation
Exhibit 1-C	Resolutions of the Board of Directors of Cobalt Authorizing the Merger

Exhibit 1-D	Resolutions of the Board of Directors of WellPoint Authorizing the Merger
Exhibit 1-E	Resolutions of the Board of Directors of Crossroads Authorizing the Merger
Exhibit 2-A	Annual Report on Form 10-K of WellPoint for the year ending December 31, 2002
Exhibit 2-B	Annual Report on Form 10-K of WellPoint for the year ending December 31, 2001
Exhibit 2-C	Annual Report on Form 10-K of WellPoint for the year ending December 31, 2000
Exhibit 2-D	Annual Report on Form 10-K of WellPoint for the year ending December 31, 1999
Exhibit 2-E	Annual Report on Form 10-K of WellPoint for the year ending December 31, 1998
Exhibit 2-F	Annual Report to Stockholders of WellPoint for the year ending December 31, 2002
Exhibit 2-G	Annual Report to Stockholders of WellPoint for the year ending December 31, 2001
Exhibit 2-H	Annual Report to Stockholders of WellPoint for the year ending December 31, 2000
Exhibit 2-I	Annual Report to Stockholders of WellPoint for the year ending December 31, 1999
Exhibit 2-J	Annual Report to Stockholders of WellPoint for the year ending December 31, 1998
Exhibit 2-K	Quarterly Report on Form 10-Q of WellPoint for the period ending March 31, 2003
Exhibit 2-L	Pre-Merger Organizational Chart of WellPoint and its Affiliates
Exhibit 2-M	Post-Merger Organizational Chart of WellPoint and its Affiliates
Exhibit 4-A	WellPoint Unsecured Revolving Credit Facility Agreement
Exhibit 4-B	WellPoint Unsecured Revolving Credit Facility Agreement
Exhibit 4-C	Fairness Opinion Issued by UBS Warburg to the Board of Directors of Cobalt
Exhibit 5-A	Certificate of Incorporation of Crossroads
Exhibit 5-B	Bylaws of Crossroads

Exhibit 5-C	Amended Articles of Incorporation of Cobalt
Exhibit 5-D	Third Amended and Restated Bylaws of Cobalt
Exhibit 10-A	Press Release Issued by WellPoint and Filed with the SEC
Exhibit 10-B	Presentation Materials of WellPoint Filed with the SEC
Exhibit 12-A	Annual Report to Shareholders of Cobalt for the year ending December 31, 2002
Exhibit 12-B	Annual Report to Shareholders of Cobalt for the year ending December 31, 2001

(c) The Merger Agreement and Voting Agreement are the only agreements in connection with the Proposed Transaction and there are no other tender offers for, requests or invitations for, tenders of, exchange offers for, or other agreements involving WellPoint or its affiliates to acquire or exchange any voting securities of Cobalt or the Acquired Subsidiaries.

Attached as Exhibits 12-A and 12-B are the annual reports to shareholders of Cobalt for the last two years. WellPoint's annual reports to stockholders for the last two years are attached as Exhibits 2-F and 2-G.

ITEM 13. SIGNATURE AND CERTIFICATION.

SIGNATURE

Pursuant to the requirements of Ch. Ins 40, Wis. Adm. Code, WellPoint Health Networks Inc. has caused this application to be duly signed on its behalf in the City of Thousand Oaks and State of California, on the 19th day of June, 2003.

WellPoint Health Networks Inc.

(SEAL)

By: Thomas C Geiser
Thomas C. Geiser

Executive Vice President and
General Counsel

Attest:

Robert A. Kelly
(Signature of Officer)

Assistant Secretary
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated June 20, 2003, for and on behalf of WellPoint Health Networks Inc.; that he is the Executive Vice President and General Counsel of WellPoint Health Networks Inc. and that he is authorized to execute and file such instrument.

Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

Thomas C. Geiser
Thomas C. Geiser

Executive Vice President and
General Counsel

Date: June 19, 2003

Subscribed and sworn to before me this
19th day of June, 2003.

Anna Leonard

Notary Public

My Commission expires: APRIL 14, 2004

