

**AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER**

THIS AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER (this "Amendment"), dated as of August 8, 2003, among **WELLPOINT HEALTH NETWORKS INC.**, a Delaware corporation ("Purchaser"), **CROSSROADS ACQUISITION CORP.**, a Delaware corporation and a direct wholly-owned subsidiary of Purchaser ("Merger Sub"), and **COBALT CORPORATION**, a Wisconsin corporation ("Target") to the Agreement and Plan of Merger, dated as of June 3, 2003 (the "Original Agreement"), among Purchaser, Merger Sub and Target.

WHEREAS, the parties to the Original Agreement desire to amend the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendment to the Third Whereas Clause. The third whereas clause shall be amended to delete the reference to "Section 3.2(b)" in the fourth line thereof and to insert "Section 1.8(d)" in its place.

2. Amendment to Section 1.8(d). The first sentence of Section 1.8(d) shall be amended and restated to read in its entirety as follows:

Each of the 7,949,904 shares of common stock, no par value, of Target (the "Cobalt Subsidiary Held Stock") held of record by Blue Cross & Blue Shield United of Wisconsin, a subsidiary of Target ("BCBSUW"), and the 712,300 shares of common stock, no par value, of Target held of record by Blue Cross of California, an indirect subsidiary of Purchaser (the "Purchaser Subsidiary Held Stock" and together with the Cobalt Subsidiary Held Stock, the "Subsidiary Held Stock") shall be converted into the right to receive two times the Exchange Ratio in Purchaser Common Stock ("Subsidiary Stock Consideration").

3. Amendment to Section 3.2(b)(i). The first sentence of Section 3.2(b)(i) shall be amended and restated to read in its entirety as follows:

The authorized capital stock of Target consists of (A) 75,000,000 shares of common stock, no par value, of which 41,990,405 shares were outstanding as of the date of the Original Agreement, excluding the Cobalt Subsidiary Held Stock, and (B) 1,000,000 shares of Preferred Stock, no par value per share, none of which are outstanding.

4. Authorization. This Amendment has been duly executed and delivered by each party hereto and constitutes a valid and binding obligation of each such party, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors

generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

5. No Other Amendments. Except as expressly amended hereby, the provisions of the Original Agreement are and shall remain in full force and effect.

6. Governing Law. This Amendment shall be governed and construed in accordance with the laws of the State of Wisconsin.

7. Counterparts and Effectiveness. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that both parties need not sign the same counterpart.

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IN WITNESS WHEREOF, Purchaser, Merger Sub and Target have caused this Amendment to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

WELLPOINT HEALTH NETWORKS INC.

By: Thomas C Geiser
Name: Thomas C. Geiser
Title: Secretary

CROSSROADS ACQUISITION CORP.

By: Thomas C Geiser
Name: Thomas C. Geiser
Title: Secretary

COBALT CORPORATION

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Purchaser, Merger Sub and Target have caused this Amendment to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

WELLPOINT HEALTH NETWORKS INC.

By: _____
Name: _____
Title: _____

CROSSROADS ACQUISITION CORP.

By: _____
Name: _____
Title: _____

COBALT CORPORATION

By: John E. Boyle
Name: _____
Title: _____