

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

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

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.,

Direct or indirect subsidiaries of WellPoint Health Networks Inc., a Delaware corporation
(Names of Domestic Insurers - To Be Acquired)

By

ANTHEM, INC.

an Indiana corporation

and

ANTHEM HOLDING CORP.

a direct wholly owned subsidiary of Anthem, Inc.

(Name of Acquiring Persons - Applicants)

Date: December 17, 2003

Names, Titles, Addresses and Telephone Numbers of Individuals to Whom
Notice and Correspondence Concerning this Statement Should be Addressed:

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FORM A

This Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer ("Statement") is submitted by Anthem, Inc., an Indiana corporation ("Anthem"), and Anthem Holding Corp., an Indiana corporation and a direct wholly-owned subsidiary of Anthem, in connection with the proposed merger of WellPoint Health Networks Inc., a Delaware corporation ("WellPoint") with and into Anthem Holding Corp. That merger would constitute the change of control of Blue Cross Blue Shield of Wisconsin ("BCBSW"), 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 "Domestic Insurers"). Both Anthem and WellPoint are licensees of the Blue Cross Blue Shield Association, and have the exclusive rights to use the Blue Cross and Blue Shield names and marks in their respective licensed territories. Anthem and Anthem Holding Corp. respectfully request approval of the Wisconsin Commissioner of Insurance under Section 611.72 of the Wisconsin Statutes for the acquisition of control described herein.

On November 26, 2003, Anthem filed with the Securities and Exchange Commission a Registration Statement on Form S-4 containing a Joint Proxy Statement and Prospectus relating to the merger described herein (the "Registration Statement"). A copy of the Registration Statement is attached hereto as Exhibit A.

ITEM 1. INSURERS AND METHOD OF ACQUISITION

(a) Insurers

The names and addresses of the Domestic Insurers to which this Statement relates are:

Blue Cross Blue Shield 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

(b) Method of Acquisition

Pursuant to the terms of the Amended and Restated Agreement and Plan of Merger, effective as of October 26, 2003, entered into among Anthem, Anthem Holding Corp., and WellPoint (the "Merger Agreement"), WellPoint will merge with and into Anthem Holding Corp. in accordance with the applicable merger statutes of the Delaware General Corporation Law and the Indiana Business Corporation Law (the "Merger"). A copy of the Merger Agreement is attached hereto as Exhibit B. Immediately upon the consummation of the Merger, the separate corporate existence of WellPoint will

cease, and Anthem Holding Corp. will continue as the surviving corporation. Anthem will, by virtue of the Merger, acquire control of the Domestic Insurers and beneficial ownership of 100% of the stock of the Domestic Insurers. In addition, pursuant to the Merger Agreement, Anthem will change its corporate name to "WellPoint, Inc."¹

Please see the Registration Statement, under the caption "The Merger Agreement" at pages 74 through 88, for a more detailed summary of the Merger Agreement.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) The Applicants

The names and addresses of the applicants seeking to acquire control of the Domestic Insurers are:

Anthem, Inc.
120 Monument Circle
Indianapolis, IN 46204

Anthem Holding Corp.
120 Monument Circle
Indianapolis, IN 46204

(b) (1) Nature of Business Operations of Anthem Holding Corp.

Anthem Holding Corp. is an Indiana corporation formed on October 23, 2003, for the purpose of effectuating the proposed transaction as described herein.

(b) (2) Nature of Business Operations of Anthem

Corporate History

Anthem is an Indiana corporation and the publicly held holding company for a number of operating subsidiaries, including Anthem Insurance Companies, Inc., an Indiana insurance company ("Anthem Insurance"). Anthem was formed in connection with the conversion of Anthem Insurance from a mutual insurance company into a stock insurance company under the Indiana Demutualization Law, effective on November 2, 2001. Anthem's common stock has been publicly traded on the New York Stock Exchange since October 30, 2001, under the symbol "ATH."

Anthem Insurance was formed in 1944 under the name of Mutual Hospital Insurance, Inc., commonly known as Blue Cross of Indiana. In 1946, Mutual Medical Insurance, Inc., also known as Blue Shield of Indiana, was incorporated as an Indiana mutual insurance company. In 1985, these two companies merged under the name Associated Insurance Companies, Inc.

In 1993, Southeastern Mutual Insurance Company, a Kentucky-domiciled mutual insurance company doing business as Blue Cross and Blue Shield of Kentucky, was merged into Associated Insurance. In 1995, Community Mutual Insurance Company, an Ohio-domiciled mutual insurance company doing business as Community Mutual Blue Cross and Blue Shield was merged into Associated Insurance. Associated Insurance changed its name to Anthem Insurance Companies, Inc. in 1996.

¹Under certain circumstances set forth in Section 1.14 of the Merger Agreement, Anthem, with the consent of WellPoint, may elect, prior to consummation of the Merger, to structure Anthem Holding Corp. as a limited liability company. The form of entity of this intermediate holding company does not otherwise affect the Merger or other matters discussed herein.

In 1997, Blue Cross & Blue Shield of Connecticut, Inc., a Connecticut domiciled mutual insurance company, was merged into Anthem Insurance. Anthem completed its purchases of New Hampshire-Vermont Health Service, which conducted business as Blue Cross and Blue Shield of New Hampshire, and Rocky Mountain Hospital and Medical Service, which conducted business as Blue Cross and Blue Shield of Colorado and Nevada, during 1999. In 2000, Anthem completed its purchase of Associated Hospital Service of Maine, which conducted business as Blue Cross and Blue Shield of Maine. As described above, Anthem Insurance completed its demutualization and established Anthem as a publicly held holding company for Anthem Insurance and its subsidiaries on November 2, 2001.

In 2002, Trigon Healthcare, Inc. ("Trigon"), a Virginia insurance holding company, was acquired by Anthem. Anthem's Virginia-domiciled insurance and health maintenance organizations have the exclusive rights to use the Blue Cross and Blue Shield names and marks in Virginia, excluding the Northern Virginia suburbs of Washington, D.C.

General Business Description

Anthem is one of the nation's leading publicly traded health benefits companies, serving more than 11.8 million members, primarily in Indiana, Kentucky, Ohio, Connecticut, New Hampshire, Maine, Colorado, Nevada and Virginia, excluding the Northern Virginia suburbs of Washington, D.C. Anthem owns the exclusive right to market products and services using the Blue Cross and Blue Shield names and marks in all nine states under license agreements with the Blue Cross Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans. As of September 30, 2003, Anthem had total assets of \$13.2 billion and total revenue of \$12.5 billion for the nine months ended September 30, 2003.

Anthem's product portfolio includes a diversified mix of managed care products, including health maintenance organizations, or HMOs, preferred provider organizations, or PPOs, and point of service, or POS, plans, as well as traditional indemnity products. Anthem also offers a broad range of administrative and managed care services and partially insured products for employer self-funded plans. These services and products include claims processing, stop loss insurance, actuarial services, provider network access, medical cost management and other administrative services. In addition, Anthem offers its customers specialty products including group life and disability insurance benefits, pharmacy benefit management, dental, vision and behavioral health benefits services. Anthem's products allow its customers to choose from a wide array of funding alternatives. For its insured products, Anthem charges a premium and assumes all or a majority of the health care risk. Under its self-funded and partially insured products, Anthem charges a fee for services, and the employer or plan sponsor reimburses Anthem for all or a majority of the health care costs.

Anthem's customer base primarily includes local large groups (51 or more employees), small groups (one to 50 employees) and individuals (includes individuals under age 65, Medicare Supplement and Medicare + Choice business) each of which accounted for 40.6%, 18.7% and 18.0% of Anthem's 2002 operating revenue, respectively. Other major customer categories include National Accounts, Medicare recipients, federal employees and other federally funded programs. Anthem principally markets its products through an extensive network of independent agents and brokers who are compensated on a commission basis for new sales and retention of existing business.

Anthem's managed care plans and products are designed to encourage providers and members to make quality, cost-effective health benefits decisions by using the full range of Anthem's innovative medical

management services, quality initiatives and financial incentives. Anthem's strong industry position enables it to realize the long-term benefits of investing in preventive and disease management programs. Anthem's ability to provide cost-effective health benefits products and services is enhanced through a disciplined approach to internal cost containment, prudent management of its risk exposure and successful integration of acquired businesses.

Anthem's health business segments are strategic business units delineated by geographic areas within which Anthem offers similar products and services. Anthem manages its health business segments with a local focus to address each market's unique competitive, regulatory and health care delivery characteristics.

In addition to its health business segments, Anthem has a specialty segment which includes business units providing group life and disability insurance benefits, pharmacy benefit management, dental and vision administration services and third party behavioral health benefit services. Through various subsidiaries, Anthem provides administration of Medicare programs in several states.

Since 1986, Anthem has grown from 2,800 employees serving approximately one million people in Indiana to a company of approximately 20,000 employees serving more than 11.8 million people in several states.

Anthem and its affiliates currently write only a de minimum amount of insurance business in the State of Wisconsin.

Additional information concerning Anthem's business, history, operating segments, strategies and operating principles, acquisitions and merger history, health benefits products and services, and other matters can be found under the caption "Business of Anthem" in Anthem's Annual Report on Form 10-K for the year ending December 31, 2002 filed with the Securities and Exchange Commission, a copy of which is attached hereto as Exhibit H-1.

BCBS Legacy; Strategies and Operating Principles

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.

Anthem's strategic objective is to be among the best in its industry, with the size and scale to deliver the best product value with the best people. To achieve these goals, Anthem offers a broad selection of flexible and competitively priced products and seeks to establish leading market positions.

Anthem believes that increased scale will provide competitive advantages, cost efficiencies and greater opportunities to sustain profitable growth. The key to Anthem's ability to deliver this growth is its commitment to work with providers to optimize the cost and quality of care while improving the health of its members and improving the quality of its service.

The following are key elements in Anthem's strategies and operating principles:

- *Promote Quality Care:* Anthem believes that its ability to help members receive quality, cost-effective health care will be key to its success. Anthem promotes the health of its members through education, products that cover prevention and early detection programs that help members and their providers manage illness before higher cost intervention is required. To help develop those programs, Anthem collaborates with providers in its networks to promote improved quality of care for its members.
- *Product Value:* 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.
- *Operational Excellence:* To provide cost-effective products, Anthem continuously strives to improve operational efficiency. Anthem actively benchmarks its performance against other leading health benefits companies to identify opportunities to drive continuous performance improvement. Important performance measures Anthem uses include operating margin, administrative expense ratio, administrative expense per member per month, and return on equity. Current initiatives to drive operational efficiency include: consolidating and eliminating information systems; standardizing operations and processes; identifying and implementing best practices through its operating segments; implementing e-business strategies; and integrating acquired businesses.
- *Technology:* Anthem continuously reviews opportunities to improve its interactions with customers, brokers and providers. By utilizing technologies, Anthem seeks to make the interactions as simple, efficient and productive as possible. Anthem monitors itself using industry standard customer service metrics, which measure, among other things, call center efficiency, claims paying accuracy and speed of enrollment. Anthem eases the administrative burden of enrolling new accounts, processing claims and updating records for its brokers and providers by automating many of these processes. Anthem also collects information that enables it to further improve customer service, product design and medical management (this information is used to evaluate and document patient outcomes, which enhances disease management capabilities).
- *Growth:* Anthem believes that profitable growth, both organic and through acquisitions, is an important part of its business. Increased scale allows it to enhance customer convenience and improve operating margins, while keeping products competitively priced. Expansion into new geographic markets enables Anthem to reduce exposure to economic cycles and regulatory changes and provides options for business expansion.

Recognition by Third Parties

Third parties have recognized Anthem's success in bringing quality and efficiency to the delivery of health benefits to its customers and advancing other key elements of its strategies and operating principles. For example:

- Anthem health plans in Colorado, Connecticut, Indiana, Kentucky, Maine, New Hampshire, Ohio and Virginia have earned the "Excellent" level of accreditation from the National Committee for Quality Assurance ("NCQA"). Accreditation by NCQA, an industry recognized standard of quality, involves extensive review of key clinical and administrative processes. The "Excellent" designation is reserved for managed care organizations that meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement. Also, the Connecticut, Kentucky and Colorado Plans were recognized as among the best in the nation based on Health Plan Employer Data and Information Set ("HEDIS") performance measures.
- Anthem has been recognized by the Health Ethics Trust with a "Best Practice Award" for its Standards of Business Conduct and a "Best Compliance Practices Award" for its web-based ethics and compliance training program for employees.
- Anthem has been recognized as one of *FORTUNE's* 10 most admired health care companies in America, ranking third in 2003.
- Anthem holds a leadership role in the Council for Affordable Quality Healthcare ("CAQH"), an alliance of America's leading health plans committed to improving the quality of health care and reducing administrative burdens for physicians and patients. Anthem's Chairman, President and Chief Executive Officer, Larry Glasscock, has served as chairman of CAQH.
- Anthem's health information resource, MyHealth@Anthem, was recognized by the 2003 World Wide Web Health Awards Program, which recognizes the best health-related web sites for consumers and professionals.
- Anthem rose to 45th on the *Information Week 500* from 444th three years ago, which tracks technology performance among the nation's largest and most innovative companies.
- Anthem Prescription Management's specialty pharmacy operation, Anthem Rx Direct Specialty, received accreditation from the Accreditation Commission for Health Care, an independent peer review organization committed to organizational operations and delivery of quality health care services. Anthem Prescription Management is one of only five specialty pharmacies to have earned this designation.
- AdminaStar Federal was recognized by the Centers for Medicare and Medicaid Services for excellent and innovative work on behalf of seniors in the Medicare Program.
- 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.

Anthem Subsidiaries' Financial Strength/Claims Paying Ability Ratings

The current financial strength/claims paying ability ratings of Anthem subsidiaries are as follows:

Standard & Poor's Rating Services	A **
A.M. Best Company, Inc.	A
Moody's Investor Services, Inc.	A1
Fitch, Inc.	AA-
** Indication from S&P is that rating will likely be upgraded to A+ at closing of transaction.	

Anthem's Financial Strength and Credit Ratings

The current financial strength and credit ratings of Anthem are as follows:

Standard & Poor's Rating Services Counter Party Credit Ratings (Senior Debt) Equity Security Units	BBB+ BBB-
A.M. Best Company, Inc. Senior Debt Subordinated Debt	a- bbb+
Moody's Investor Services, Inc. Senior Unsecured Debt Subordinated Debt	Baa1 Baa2
Fitch, Inc. Senior Unsecured Debt Subordinated Debt	A- BBB+

Business intended to be done by Anthem

Anthem intends to continue its present business activities in the future.

(c) **Organizational Chart**

The organizational charts attached hereto as Exhibits C and E present the identities of the inter-relationships among Anthem and all of its affiliates prior to and following the Merger. Other than as described in the Merger Agreement, there is no third party through whom Anthem intends to acquire, maintain or exercise control of the Domestic Insurers. No person directly or indirectly owns, controls, holds with power to vote, or holds proxies representing collectively ten percent or more of the voting securities of Anthem. No court proceedings involving a reorganization or liquidation are pending with respect to Anthem or any of its affiliates.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH ANTHEM AND ANTHEM HOLDING CORP.

Director and Officer Information

(a)(1) Directors and Officers of Anthem Holding Corp.

Below is a list of the directors and executive officers of Anthem Holding Corp. The business addresses of the directors and executive officers of Anthem Holding Corp. are stated in the biographical affidavits for such persons attached hereto as Exhibit F-1.

Anthem Holding Corp.'s Board of Directors currently consists of the following members:

<u>Director</u>	<u>Principal Occupation</u>
Larry C. Glasscock	Chairman, President and Chief Executive Officer of Anthem
David R. Frick	Executive Vice President and Chief Legal and Administrative Officer of Anthem
Michael L. Smith	Executive Vice President and Chief Financial and Accounting Officer of Anthem

Anthem Holding Corp. is managed by the following executive officers:

<u>Officer</u>	<u>Title</u>
Larry C. Glasscock	President and Chief Executive Officer
David R. Frick	Executive Vice President and Chief Legal and Administrative Officer
Michael L. Smith	Executive Vice President and Chief Financial and Accounting Officer
George D. Martin	Treasurer
Nancy L. Purcell	Secretary

(a)(2) Directors and Officers of Anthem

Below is a list of the directors and executive officers of Anthem. The business addresses of the directors and executive officers of Anthem are stated in the biographical affidavits for such persons attached hereto as Exhibit F-1.²

Anthem's Board of Directors currently consists of the following members:

<u>Director</u>	<u>Principal Occupation</u>
L. Ben Lytle	Presiding Director
Larry C. Glasscock	Chairman, President and Chief Executive Officer
Lenox D. Baker, Jr., M.D.	President, Mid-Atlantic Cardiothoracic
Susan B. Bayh	Distinguished Visiting Professor at Butler University
William B. Hart	Chairman, National Trust for Historic Preservation
Allan B. Hubbard	President, E&A Industries
Victor S. Liss	Vice Chairman and Retired President and Chief Executive Officer, Trans-Lux Corporation
William G. Mays	President and Chief Executive Officer, Mays Chemical Company, Inc.
James W. McDowell, Jr.	Founder, McDowell Associates
Senator Donald W. Riegle, Jr.	Chairman of Government Affairs, APCO Worldwide
William J. Ryan	Chairman, President and Chief Executive Officer, Banknorth Financial Group
George A. Schafer, Jr.	President and Chief Executive Officer Fifth Third Bancorp/Fifth Third Bank
John Sherman, Jr.	Vice Chairman, Scott and Stringfellow, Inc.

² Biographical affidavits for certain directors and/or executive officers are not available at the time of this filing and will be provided supplementally.

Dennis J. Sullivan, Jr.	Executive Counselor Dan Pinger Public Relations
Jackie M. Ward	Outside Managing Director Intec Telecom Systems

(See the caption "Changes in Directors and Executive Officers" in Item 5(b) of this Statement for a discussion concerning the composition of Anthem's Board of Directors upon the effectiveness of the Merger.)

The day-to-day affairs of Anthem are managed by the following executive officers³:

<u>Officer</u>	<u>Title</u>
Larry C. Glasscock	Chairman, President and Chief Executive Officer
David R. Frick	Executive Vice President and Chief Legal and Administrative Officer
Samuel R. Nussbaum, M.D.	Executive Vice President and Chief Medical Officer
Michael L. Smith	Executive Vice President and Chief Financial and Accounting Officer
Marjorie W. Dorr	President, Anthem East
Keith R. Faller	President, Anthem Midwest
Michael D. Houk	President, National Accounts
Caroline S. Matthews	Chief Operating Officer, Anthem Blue Cross and Blue Shield in Colorado and Nevada
John M. Murphy	President, Specialty Business
Jane E. Niederberger	Senior Vice President and Chief Information Officer
Thomas J. Snead, Jr.	President, Anthem Southeast
Mark Boxer	Senior Vice President, Chief Strategy and Business Development Officer

³Larry C. Glasscock, David R. Frick, Michael L. Smith, George D. Martin (Treasurer) and Nancy L. Purcell (Secretary) are the corporate officers of Anthem.

(b) Present Principal Business Activity

The principal business activity, occupation, or employment of the directors and executive officers of Anthem and Anthem Holding Corp., including the position and office held and the name, principal business and address of any such corporation or organization, is stated in the biographical affidavits for such persons attached hereto as Exhibit F-1.

(c) Material Occupations, Positions, Offices and Employment

The material occupations, positions, offices or employment during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on, with respect to the directors and executive officers of Anthem and Anthem Holding Corp., are stated in the biographical affidavits for such persons attached hereto as Exhibit F-1. Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, are stated in such biographical affidavits.

(d) Criminal Proceedings

Except as otherwise indicated in Exhibit F-1, to the best knowledge, information and belief of Anthem and Anthem Holding Corp., no director or executive officer of Anthem or Anthem Holding Corp. has been convicted in a criminal proceeding (excluding minor traffic violations) during the past ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature, Source and Amount of Funds or Other Consideration Used or To Be Used in Effecting the Acquisition of Control

Source and Amount of Consideration

The Merger Agreement provides that, subject to certain exceptions, each share of WellPoint common stock issued and outstanding at the effective time of the Merger will be converted into the right to receive (i) \$23.80 in cash, without interest (the "Cash Consideration"), and (ii) one share of Anthem common stock (the "Stock Consideration" and together with the Cash Consideration, the "Merger Consideration"). Upon effectiveness of the Merger, all shares of WellPoint common stock will no longer be outstanding and will automatically be cancelled and retired and will cease to exist.

Any holder of WellPoint common stock who dissents from the Merger as permitted by the Delaware General Corporation Law will, instead of the Merger Consideration, receive a cash payment as provided by law. WellPoint common stock held by a subsidiary of WellPoint or Anthem (other than Anthem Holding Corp.) will be converted into the right to receive additional Anthem common stock in lieu of the Cash Consideration portion of the Merger Consideration, based on a formula specified in the Merger Agreement.

Approximately 151.1 million shares of WellPoint common stock were outstanding on September 30, 2003 (excluding WellPoint shares held by WellPoint subsidiaries). Based upon those shares, plus Anthem Shares to be issued in respect of WellPoint shares held by WellPoint subsidiaries, Anthem anticipates that it will need to issue approximately 154 million shares of its common stock in order to pay the Stock Consideration and pay approximately \$3.6 billion in order to pay the Cash Consideration. The total value of the Merger Consideration, based upon the closing price of the Anthem common stock on the New York Stock Exchange on October 24, 2003 (the last trading day before Anthem and WellPoint announced the Merger), is approximately \$15.6 billion.

Anthem's common stock is listed for trading on the New York Stock Exchange under the symbol "ATH," and the shares of Anthem common stock to be issued in payment of the Stock Consideration will also be listed for trading on the New York Stock Exchange. Anthem's authorized common stock consists of 900 million shares, of which approximately 138.3 million shares were outstanding as of October 31, 2003. Anthem accordingly has an adequate number of authorized and unissued shares of common stock to provide for the issuance of its common stock in the Merger, and Anthem's Board of Directors has formally authorized such issuance of shares. Under the rules and regulations of the New York Stock Exchange, the issuance of such shares by Anthem is subject to approval by Anthem's shareholders, and a special meeting of Anthem's shareholders for that purpose (as well as to allow Anthem shareholders to vote on amending Anthem's articles of incorporation related to the Merger) is expected to be held in early 2004.

Anthem estimates that it will have cash requirements of approximately \$3.9 billion for the Merger and related transaction costs. Anthem intends to use a combination of borrowed funds and cash on hand to meet these cash needs. The borrowed funds may include temporary or bridge financing in addition to permanent or long term financing.

Temporary/Bridge Borrowing

Anthem has entered into a commitment letter (the "Commitment Letter"), dated October 17, 2003, with Banc of America Bridge LLC ("Banc of America Bridge") and Banc of America Securities LLC ("BAS") for a bridge loan agreement under which it may borrow up to \$3 billion to finance the Cash Consideration, to refinance certain existing indebtedness and to pay expenses of the Merger and related transactions. Pursuant to the Commitment Letter, the bridge loan agreement contains various conditions to Anthem's ability to borrow under the bridge loan, including conditions related to: (1) the absence of any change, occurrence or development since December 31, 2002 that could reasonably be expected to have a material adverse effect; (2) the receipt of all government, shareholder and third party consents and approvals necessary in connection with the Merger; (3) the absence of any action, suit, investigation or proceeding pending or, to the knowledge of Anthem or WellPoint, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a material adverse effect; (4) Anthem's long-term unsecured non-credit enhanced debt not being rated less than Baa3 by Moody's and BBB by S&P; and (5) such other conditions that are customary for transactions of this nature. A copy of the Commitment Letter is attached as Exhibit N.

Interest Payments on Temporary/Bridge Financing

Interest under the bridge loan will be payable quarterly in arrears at a rate per annum equal to the respective rates for base rate borrowings or Eurodollar borrowings plus an applicable margin per annum.

The applicable margin for the bridge loans will range from 42.5 basis points to 112.5 basis points based upon the S&P and Moody's debt ratings for Anthem, with the higher debt rating resulting in a lower applicable margin per annum. All indebtedness under the bridge loan must be repaid in full upon the earlier of 270 days from the closing date or March 31, 2005.

Permanent/Long-Term Borrowing

Anthem intends to obtain permanent or long-term financing for part of the cash portion of the Merger Consideration through a combination of (1) borrowings under a new \$2.5 billion credit facility; and (2) the issuance of \$2 billion of long-term debt securities. The ultimate mix of bank debt and long-term debt securities will be determined based on market conditions and other financial factors.

Consummation of the new credit facility would reduce the amount of the loan commitment under the bridge loan by \$1.5 billion. To the extent that indebtedness under the bridge loan agreement has been incurred, Anthem must prepay the bridge loan, without penalty or premium, together with accrued interest to the prepayment date, with the net proceeds from the issuance of any long-term debt securities and up to \$1.5 billion of borrowing under the new credit facilities.

Cash on Hand

Anthem plans to use other sources of cash, including cash on hand, to fund the remaining portion of the Cash Consideration or to fund any other cash requirements for the Merger or refinancing of existing indebtedness.

Relationship between Borrower and Lender

Anthem, Banc of America Bridge and BAS have entered into the Commitment Letter, whereby Banc of America Bridge has committed to act as the sole administrative agent through itself or one of its affiliates for the bridge loan to finance the cash requirements for the Merger and related transactions and to provide the full principal amount of the bridge loan, and BAS has committed to act as the sole lead arranger and sole book manager for the bridge loan. Anthem also retained BAS to act as a financial advisor in connection with the Merger.

No amount of the capital stock or assets of the Domestic Insurers has been pledged as security for any loan related to the Merger or any other transaction.

(b) **Criteria Used in Determining the Nature and Amount of Such Consideration**

WellPoint and Anthem are both publicly held companies. Anthem and WellPoint, with the assistance of their respective financial advisors and counsel and under the direction of their respective Boards of Directors, determined the nature and amount of the Merger Consideration, and the other terms and conditions of the proposed transaction, through arm's length negotiation.

For additional information concerning the negotiations between the parties, the background of the Merger, and Anthem's and WellPoint's reasons for the Merger, please see the Registration Statement, under the captions "The Merger - Background of the Merger" at pages 42 through 44, "- Anthem's Reasons for the Merger; Recommendation of Anthem's Board of Directors" at pages 45 through 48, "- WellPoint's Reasons for the Merger; Recommendation of WellPoint's Board of Directors" at pages 48

through 50, " - *Opinion of Anthem's Financial Advisor—Goldman, Sachs & Co.*" at pages 51 through 57, and " - *Opinion of WellPoint's Financial Advisor—Lehman Brothers Inc.*" at pages 57 through 65.

ITEM 5. FUTURE PLANS OF DOMESTIC INSURERS

(a) Extraordinary Dividends, Liquidation, Sale of Assets, Mergers

Anthem has no present plans to cause the Domestic Insurers to declare any extraordinary dividend, to liquidate the Domestic Insurers, to sell any of their assets, or to merge or consolidate them with any person or persons. There also are presently no plans to make any other material change in the Domestic Insurers' business operations, corporate structure or management, other than as may be provided herein or as may arise in the ordinary course of business. Other than as described herein, no name changes of entities involved in the Merger are anticipated. The Domestic Insurers will continue to be located in Wisconsin and will continue to operate under their current corporate names. Further, Indianapolis will continue to be the corporate headquarters for Anthem.

(b) Operational Plans for the Domestic Insurers

Day-to-Day Operations of the Domestic Insurers

In general, Anthem intends to continue the day-to-day operations of the Domestic Insurers substantially as presently conducted. Anthem has no present plans to change the day-to-day administrative activities that service the Domestic Insurers' business. Anthem also has no present plans to make any material change in the number of persons employed by the Domestic Insurers. 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. In addition, upon consummation of the Merger, Anthem will be bound by all stipulations entered into by WellPoint with the Office of the Commissioner of Insurance of the State of Wisconsin relating to the operations of the Domestic Insurers.

Anthem believes that health care is a local activity and intends to continue the Domestic Insurers' current product offerings, 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. Anthem has no present plans for a large-scale systems conversion after the Merger and instead anticipates using a scalable information technology model that would use middleware applications to link existing claims systems to a common customer service workbench and other new applications.

After the Merger, in the event that the day-to-day operations of the Domestic Insurers are to be changed (including changes to current product offerings), Anthem or the Domestic Insurers, as applicable, will make all appropriate filings and seek all required approvals for such change.

Transition Planning

Anthem's proven track record of quickly and successfully integrating acquisitions should allow for a smooth transition for the customers and employees of WellPoint and its subsidiaries, including the Domestic Insurers. Anthem and WellPoint have established a transition planning team comprised of representatives of Anthem and WellPoint to ensure this smooth transition and the successful

combination of the operations of Anthem and WellPoint. The transition team is responsible for developing, and monitoring the development of, and deliverables due under, an action plan for the combination of the businesses following the completion of the Merger. Anthem and WellPoint believe that the synergies expected from the Merger should result in expense savings and revenue enhancements. Anthem expects at least \$250 million in annual pre-tax synergies by 2006.

Changes in Officers and Directors

Officers and Directors of the Domestic Insurers

Anthem has no present plans to make any material change to the officers and directors of the Domestic Insurers. A common group of Anthem officers currently serve as both directors and officers of most Anthem subsidiaries, including a common corporate secretary and treasurer. To the extent that Anthem intends to make changes to the officers and directors of the Domestic Insurers in connection with or following the Merger, Anthem or the Domestic Insurers, as applicable, will make all appropriate filings and seek all required approvals for such changes.

Officers and Directors of Anthem

Upon completion of the Merger, the board of directors of Anthem will have 19 members, consisting of 11 current members of Anthem's board of directors (including Larry C. Glasscock) designated by Anthem before the completion of the Merger, at least six of whom must be "independent" under the rules of the New York Stock Exchange and the Securities and Exchange Commission ("SEC"), and eight current members of WellPoint's board of directors (including Leonard D. Schaeffer) designated by WellPoint before the completion of the Merger, at least five of whom must be "independent" under the rules of the New York Stock Exchange and the SEC with respect to Anthem. The appointment of the directors to the Anthem board will be split such that one of the three classes of Anthem directors will be comprised of four former Anthem directors and three former WellPoint directors, one of the three classes of Anthem directors will be comprised of four former Anthem directors and two former WellPoint directors and one of the three classes of Anthem directors will be comprised of three former Anthem directors and three former WellPoint directors. Until the second anniversary of the completion of the Merger, unless 80% of the directors of Anthem decide otherwise, any vacancy on the board of directors of Anthem in respect of a designee of Anthem or WellPoint will be filled with a new director selected by the remaining designees of Anthem or WellPoint, as applicable, and who is reasonably acceptable to the governance committee of the board of directors.

Upon the completion of the Merger, Leonard D. Schaeffer, the current Chairman and Chief Executive Officer of WellPoint, will be named the non-executive Chairman of the board of directors of Anthem and of any executive committee of the board of directors of Anthem. Additionally, Larry C. Glasscock, the current Chairman, President and Chief Executive Officer of Anthem, will serve as Anthem's President and Chief Executive Officer until at least the second anniversary of the completion of the Merger, unless he earlier resigns, retires or is unable to serve, or unless the board of directors removes him by an affirmative vote of not less than 80% of its members. By the second anniversary of the completion of the Merger, Leonard D. Schaeffer will retire from the board of directors of Anthem and, unless 80% of the directors of Anthem decide otherwise, Larry C. Glasscock will succeed as the Chairman of the board of directors of Anthem.

Upon the completion of the Merger, the executive officers of Anthem will be comprised of members of the current management of Anthem and WellPoint. The principal executive officers of Anthem upon the completion of the Merger will include:

<u>Name and Current Position</u>	<u>Position With Anthem, Post Merger</u>
Larry C. Glasscock Chairman, President and Chief Executive Officer of Anthem	President and Chief Executive Officer
David C. Colby..... Executive Vice President and Chief Financial Officer of WellPoint	Executive Vice President and Chief Financial Officer

Upon the completion of the Merger, Anthem's board of directors (which will then consist of 8 WellPoint designees and 11 Anthem designees, as described above) will designate the additional executive officers of the combined entity.

Additional information concerning Anthem's Board of Directors and committees of the Board of Directors can be found under the caption "Management of Anthem" in Anthem's Annual Report to Shareholders for the year ending December 31, 2002, a copy of which is attached hereto as Exhibit K-1.

**Contracts, Arrangements and Other Matters
Affecting Directors and Executive Officers**

Certain directors and executive officers of Anthem and WellPoint have financial and other interests through employment agreements, benefit plans and other arrangements that may be impacted by the Merger.

For a description of such contracts, arrangements and other matters affecting directors and executive officers of Anthem and WellPoint 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," "Insurance and Indemnification," at pages 69 through 72 of the Registration Statement, and "Employee Benefit Matters" at pages 84 and 85 of the Registration Statement.

(c) **Any Other Arrangements or Agreements**

Anthem's subsidiaries typically share services in the ordinary course of business under a standard intercompany services agreement. Similarly, the Domestic Insurers share services with other WellPoint subsidiaries in the ordinary course of business under their existing arrangements. Anthem has no current plans to change the current intercompany administrative services reimbursement or payment arrangements that the Domestic Insurers maintain with its 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 the Domestic Insurers, as applicable, will make all appropriate filings and seek all required approvals for such change.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

Anthem proposes to acquire directly 100% of the issued and outstanding voting securities of WellPoint and, indirectly, 100% of the issued and outstanding voting securities of the Domestic Insurers pursuant to the Merger Agreement. Anthem and WellPoint, with the assistance of their respective financial advisors and counsel and under the direction of their respective Boards of Directors, determined the nature and amount of the Merger Consideration, and the other terms and conditions of the proposed transaction through arm's length negotiation.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than under the Merger Agreement and as described in this Application, and except for 200 shares of WellPoint common stock owned by the spouse of an Anthem officer since May 2001, there are no voting securities of any class of WellPoint or the Domestic Insurers that are beneficially owned or concerning which there is a right to acquire beneficial ownership by Anthem, its affiliates or any person listed in Item 3.

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

Except as provided in the Merger Agreement and described in this Statement, there are no contracts, arrangements or understandings with respect to any voting security of WellPoint or the Domestic Insurers in which Anthem, its affiliates or any person listed in Item 3 is involved, including any transfer of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of WellPoint or the Domestic Insurers by Anthem, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement. However, an Anthem director, through his relationship with a financial advisory or management firm, may be deemed to beneficially own a total of 100 shares of WellPoint common stock that were purchased by that firm in ordinary market transactions in June and October 2003, in each case without such Anthem director's direction or prior knowledge.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

There have been no recommendations to purchase any voting security of WellPoint or the Domestic Insurers made during the 12 calendar months preceding the filing of this Statement by Anthem, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of Anthem, its affiliates or any person listed in Item 3.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There have been no agreements, contracts or understandings made with any broker-dealer as to solicitation of voting securities of WellPoint or the Domestic Insurers for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Exhibits

The following is a list of Exhibits and Financial Statements attached to this Statement and incorporated herein by reference:

Registration Statement on Form S-4/Joint Proxy Statement and Prospectus filed with the Securities and Exchange Commission dated November 26, 2003	Exhibit A
Amended and Restated Agreement and Plan of Merger among Anthem, Anthem Holding Corp. and WellPoint, effective as of October 26, 2003	Exhibit B
Pre-Merger Organizational Chart for Anthem and its affiliates	Exhibit C
Pre-Merger Organizational Chart for WellPoint and its affiliates	Exhibit D
Post-Merger Organizational Chart for Anthem and its affiliates	Exhibit E
Biographical Affidavits for the directors and executive officers of Anthem, with date of birth, social security number and home address redacted *	Exhibit F-1
Biographical Affidavits for the directors and executive officers of Anthem, without redaction of information (filed under seal) *	Exhibit F-2
WellPoint employment and severance agreements	Exhibit G
Annual Report on Form 10-K of Anthem for the year ending December 31, 2002 filed with the Securities and Exchange Commission.	Exhibit H-1
Annual Report on Form 10-K of Anthem for the year ending December 31, 2001, filed with the Securities and Exchange Commission	Exhibit H-2
Quarterly Report on Form 10-Q of Anthem for the period ending September 30, 2003, filed with the Securities and Exchange Commission	Exhibit I
Anthem's Audited Consolidated Annual Financial Statement, prepared in accordance with generally accepted accounting principles, for the years ended December 31, 2002, 2001 and 2000	Exhibit J-1
Anthem's Audited Consolidated Annual Financial Statement, prepared in accordance with generally accepted accounting principles, for the years ended December 31, 2000, 1999 and 1998	Exhibit J-2

Annual Report to the Shareholders of Anthem for the year ended December 31, 2002	Exhibit K-1
Annual Report to the Shareholders of Anthem for the year ended December 31, 2001	Exhibit K-2
Annual Report to the Stockholders of WellPoint for the year ended December 31, 2002	Exhibit L-1
Annual Report to the Stockholders of WellPoint for the year ended December 31, 2001	Exhibit L-2
Annual Report to the Shareholders of Cobalt for the year ended December 31, 2002 **	Exhibit M-1
Annual Report to the Shareholders of Cobalt for the year ended December 31, 2001 **	Exhibit M-2
Commitment Letter for Bridge Loan Agreement	Exhibit N
Consent to Jurisdiction of Anthem, Inc. and Anthem Holding Corp.	Exhibit O
Fairness Opinion issued by Goldman, Sachs & Co. to the Board of Directors of Anthem	<i>See Appendix B to the Registration Statement attached as Exhibit A</i>
Fairness Opinion issued by Lehman Brothers Inc. to the Board of Directors of WellPoint	<i>See Appendix C to the Registration Statement attached as Exhibit A</i>

* Biographical affidavits for certain directors and/or executive officers are not available at the time of this filing and will be provided supplementally.

** Cobalt was acquired by WellPoint in November 2003, and this Annual Report of Cobalt is included herein for completeness.

ITEM 13. SIGNATURE AND CERTIFICATION

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Anthem, Inc. and Anthem Holding Corp. have caused this Statement to be duly signed on their behalf in the City of Indianapolis and State of Indiana on the 15th day of December, 2003.

ANTHEM, INC.

ANTHEM HOLDING CORP.

By: David R. Frick
David R. Frick
Executive Vice President and
Chief Legal and Administrative Officer

By: David R. Frick
David R. Frick
Executive Vice President and
Chief Legal and Administrative Officer

Attest:

Nancy L. Purcell
Nancy L. Purcell, Secretary

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Statement dated December 15th, 2003, for and on behalf of Anthem, Inc. and Anthem Holding Corp., that he is the Executive Vice President and Chief Legal and Administrative Officer of such companies; 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.

David R. Frick
David R. Frick

Subscribed and sworn to before me this 15th day of December, 2003.

JEANETTE R. SMITH
Printed Name: JEANETTE R. SMITH
Notary Public in and for the State of Indiana

I am a resident of Marion County, Indiana.
My commission expires 7/23/06.