

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

Group Hospitalization and Medical Services, Inc.
(Domestic Insurers - To Be Acquired)

By

WellPoint Health Networks Inc.
(Acquiring Person)

Filed with the District of Columbia
Department of Insurance & Securities Regulation
and the Office of Corporation Counsel

Date: January 11, 2002

**Notices and correspondence concerning this Form A Statement
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This Statement Regarding the Acquisition of Control of or Merger With a Domestic Insurer (the “Acquisition Statement”) seeks the prior approval of the Commissioner of Insurance of the District of Columbia for (i) the conversion of Group Hospitalization and Medical Services, Inc., a non-stock corporation organized under federal law and doing business as Blue Cross/Blue Shield of the National Capital Area (“BCBS-NCA”), to for-profit status and (ii) the acquisition of indirect control of BCBS-NCA and its wholly-owned, for-profit subsidiaries through the acquisition of control of CareFirst, Inc., a Maryland nonstock corporation, by WellPoint Health Networks Inc., a Delaware corporation (“WellPoint”). CareFirst, Inc. is also the sole member of CareFirst of Maryland, Inc., a Maryland non-stock corporation (“BCBS-MD”), and BCBSD, Inc., a Delaware non-stock corporation (“BCBSD”), each of which owns various for-profit insurance-related subsidiaries. BCBS-NCA, BCBS-MD and BCBSD are sometimes collectively referred to as “Primary CareFirst Insurers” and the Primary CareFirst Insurers along with their respective subsidiaries are sometimes referred to as the “Acquired Subsidiaries.” The conversion and merger together are referred to as the “Proposed Transaction.” WellPoint has operated in the District of Columbia, Virginia and Maryland since 1996 through its affiliate, UNICARE Life & Health Insurance Company, a Delaware corporation.

ITEM 1. INSURER AND METHOD OF ACQUISITION.

The name and address of the domestic insurer to which this Acquisition Statement relates is:

Group Hospitalization and Medical Services, Inc.
550 12th Street, S.W.
Washington, D.C. 20065

Group Hospitalization and Medical Services, Inc. is licensed to do business in the District of Columbia as a Hospital and Medical Services Corporation pursuant to §§ 31-3501 *et seq.* of the D.C. Code Annotated.

The sole member of BCBS-NCA is CareFirst, Inc., a Maryland non-stock corporation. Pursuant to the Commissioner’s Order dated December 23, 1997, CareFirst, Inc. is licensed in the District of Columbia as a Hospital and Medical Services Corporation. *See* Decision and Order A-HC-97-01.

Control of BCBS-NCA will be indirectly acquired by WellPoint pursuant to an Agreement and Plan of Merger (the “Merger Agreement”) which is attached to this Acquisition Statement as Exhibit 1-A1. The Merger Agreement provides for an immediately successive two-step process: a conversion of CareFirst, Inc. and the Primary CareFirst Insurers to for-profit status (the “Conversion”), followed by a merger of a wholly-owned subsidiary of WellPoint with and into CareFirst, Inc. (the “Merger”). After the Merger is consummated, WellPoint will own

100% of the issued and outstanding stock of CareFirst, Inc. which will, in turn, own 100% of the issued and outstanding stock of BCBS-NCA, BCBS-MD and BCBSD.

The Conversion

Because WellPoint is a for-profit company and CareFirst, Inc., BCBS-NCA, BCBS-MD and BCBSD are nonprofit companies, the latter four companies will convert to for-profit status immediately prior to the consummation of the Merger. The Boards of Directors of CareFirst, Inc., BCBS-NCA, BCBS-MD and BCBSD have concluded, following extensive due diligence, that the Proposed Transaction will enhance the ability of the companies to provide quality and affordable health care products and services to their existing members and to the communities they serve. In addition, the Boards of Directors have concluded, with the assistance of a number of advisors, that the fair value of the CareFirst, Inc. holding company system is \$1.3 billion. This amount will be donated to various nonprofit foundations (the "Foundations"), as determined by the Insurance Commissioner and Corporation Counsel of the District of Columbia, the Insurance Commissioner of the State of Maryland and the State of Delaware. The resolutions of the Boards of Directors of CareFirst, Inc., BCBS-NCA, BCBS-MD and BCBSD approving the Conversion and subsequent Merger are attached to this Acquisition Statement as Exhibits 1-A2, 1-A3, 1-A4 and 1-A5.

CareFirst, Inc. has retained an independent expert, Accenture, to evaluate the community impact of the Proposed Transaction on all of the affected communities. Accenture has determined that it is reasonable to conclude that the availability, accessibility and affordability of health care in the District of Columbia, Maryland and Delaware has a strong potential to be positively impacted by the proposed transaction. Accenture's report is attached to this Acquisition Statement as Exhibit 1-A6.

The Conversion of BCBS-NCA will be effected through its re-chartering in the District of Columbia as a for-profit corporation, which will require the approval of the U.S. Congress. As part of the Conversion, each of BCBS-NCA, BCBS-MD and BCBSD will issue 100% of its outstanding shares of common stock to CareFirst, Inc., thus becoming wholly-owned subsidiaries of CareFirst, Inc. CareFirst, Inc. will issue 100% of its outstanding shares of common stock to certain tax-exempt Foundations in the District of Columbia, Maryland and Delaware, representing the percentage of the aggregate value of CareFirst, Inc. represented by each subsidiary insurer, as determined by the Insurance Commissioner and Corporation Counsel of the District of Columbia, the Insurance Commissioner of the State of Maryland and the State of Delaware. Thus, immediately preceding the Merger, CareFirst, Inc. will own 100% of the common stock of the three Primary CareFirst Insurers and will itself be 100% owned by the various tax-exempt Foundations.

The Merger

Pursuant to the Merger Agreement, WellPoint has incorporated in Maryland a direct, wholly-owned subsidiary, Congress Acquisition Corp. (“CFAC”), which will merge with and into CareFirst, Inc. Each share of CareFirst, Inc. common stock held by the tax-exempt Foundations will be converted into a consideration amount comprised of cash and WellPoint Common Stock having an aggregate value of \$1.3 billion, as more fully described in Item 4 of this Acquisition Statement. The resolutions of the Boards of Directors of WellPoint and CFAC approving the Merger are attached to this Acquisition Statement as Exhibits 1-A8 and 1-A9.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT.

- (a) The name and address of the applicant is:

WellPoint Health Networks Inc.
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) (“WellPoint Common Stock”) is traded on the New York Stock Exchange (“NYSE”). WellPoint, through its subsidiary, UNICARE Life & Health Insurance Company (“UNICARE”), a Delaware domiciled stock health insurance corporation, has limited health insurance operations in the District of Columbia, with direct written premium amounting to 0.41% of the Accident and Health market for the year 2000. Approximately 4,459 District of Columbia residents have health insurance through UNICARE and approximately 1,526 District of Columbia residents have self-insured health benefit plans to which UNICARE provides administrative services only.

Through its affiliated companies, WellPoint serves the health care needs of approximately 10 million medical members and approximately 42 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, utilization 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, see WellPoint’s Annual Reports on Form 10-K for the years ended December 31, 2000, 1999, 1998, 1997 and 1996 attached as Exhibits 2-B1, 2-B2, 2-B3, 2-B4 and 2-B5, respectively, (the “Annual Reports on Form 10-K”); WellPoint’s 2000,

1999, 1998, 1997 and 1996 Annual Reports to Stockholders, attached as Exhibits 2-B6, 2-B7, 2-B8, 2-B9 and 2-B10, respectively, (the “Annual Reports to Stockholders”); and WellPoint’s Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2001, attached as Exhibit 2-B11 (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, 2000, 1999, 1998, 1997 and 1996 and at September 30, 2001, is set forth in its Annual Reports on Form 10-K, in its Annual Reports to Stockholders and in its Quarterly Report on Form 10-Q. As of September 30, 2001, WellPoint had assets of \$7.2 billion and total stockholders’ equity of \$2.0 billion. For the nine months ended September 30, 2001, WellPoint had gross revenues of \$9.0 billion, operating income of \$600.0 million, and net income after tax of \$304.9 million. As of December 31, 2000, WellPoint had assets of \$5.5 billion and total stockholders’ equity of \$1.6 billion. For the year ended December 31, 2000, WellPoint had gross revenues of \$9.2 billion and net income after tax of \$342.3 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 WellPoint Common Stock 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 WellPoint Common Stock. That same year, 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. On November 19, 2001, WellPoint filed a Form A acquisition statement with the Insurance Department of the State of Missouri proposing to acquire RightCHOICE Managed Care, Inc., a Delaware corporation doing business as Blue Cross and Blue Shield of Missouri and Alliance Blue Cross and Blue Shield, and its wholly-owned subsidiaries. This Form A acquisition statement is pending with the Missouri Department of Insurance.

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

UNICARE

UNICARE Life & Health Insurance Company is WellPoint's national non-"blue" brand dedicated to the delivery of quality health care plans and products since 1996. Serving approximately 2.3 million medical members, UNICARE employs over 3,800 full-time associates. As noted above, UNICARE writes a small amount of business within the District of Columbia metropolitan region.

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 preserves member choice at competitive prices while focusing on the development of new hybrid plans which 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 California since 1937. As the California operating subsidiary of WellPoint, BCC, together with its branded affiliates, provides services to approximately 5.6 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 2,900 associates and is Georgia's largest and oldest health insurer, providing health benefits to more than 1.8 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.

RIGHTCHOICE MANAGED CARE, INC.

On November 19, 2001, WellPoint filed a Form A acquisition statement with the Insurance Department of the State of Missouri proposing to merge RightCHOICE Managed Care, Inc., d/b/a Blue Cross and Blue Shield of Missouri (“RightCHOICE”), with and into a subsidiary of WellPoint. RightCHOICE serves approximately 2.8 million total members and is the largest provider of health care benefits in Missouri. Through its HealthLink subsidiary, RightCHOICE also provides network rental, administrative services, workers' compensation and other non-underwritten health benefit programs in Missouri and other states. RightCHOICE is an independent licensee of the Blue Cross and Blue Shield Association.

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-C1 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-C1 is owned 100% by its immediate parent, or another direct or indirect wholly-owned subsidiary of WellPoint, except that WellPoint owns (i) only 50% of the voting securities of The Industry MSO, Inc., a California corporation; (ii) only 50% of the voting securities of MCS Health Management Options, Inc., a Puerto Rico corporation; (iii) only 51% of the voting securities of Atlanta Healthcare Partners, Inc., a Georgia corporation; (iv) only 51% of the voting securities of CSRA Healthcare Partners, Inc., a Georgia corporation; and (v) approximately 78% of the voting securities of UNICARE National Capital Preferred Provider Organization, Inc., a Maryland corporation.

Attached as Exhibit 2-C2 is the proposed organizational structure of WellPoint and its affiliates, assuming the closing of the Proposed Transaction and the transaction involving RightCHOICE Managed Care, Inc. In addition to the WellPoint affiliates mentioned above, the following are anticipated to be affiliates in which WellPoint will have less than a 100% ownership interest but may control within the meaning of the insurance holding company act: (i) The EPOCH Group, L.L.C., which is a joint venture in which WellPoint will indirectly own a 50% interest through its ownership of RightCHOICE; (ii) Potomac Physicians, P.A. which is wholly-owned by three physicians one of whom is employed by BCBS-MD; (iii) Three Owings Mills Corporate Center Limited Partnership of which BCBS-MD is one of three limited partners; and (iv) Four Owings Mills Corporate Center Limited Partnership of which BCBS-MD is one of three limited partners. All other entities set forth on Exhibit 2-C2 will be wholly-owned by WellPoint or a WellPoint affiliate.

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

The current directors of WellPoint are:

Leonard D. Schaeffer, Chairman of the Board and Chief Executive Officer
W. Toliver Besson
Roger E. Birk
Sheila P. Burke
Stephen L. Davenport
Julie A. Hill
Elizabeth A. Sanders
Warren Y. Jobe

The current executive officers of WellPoint are:

Leonard D. Schaeffer
Chairman of the Board and Chief Executive Officer

D. Mark Weinberg
Executive Vice President, Individual and Small Group Division

David S. Helwig
Executive Vice President, Large Group Division

Joan E. Herman
Executive Vice President, Senior, Specialty and State-Sponsored Programs Division

David C. Colby
Executive Vice President and Chief Financial Officer

Thomas C. Geiser
Executive Vice President, General Counsel and Secretary

Rebecca A. Kapustay
Executive Vice President, BCBS of Georgia

Kenneth C. Zurek
Senior Vice President, Controller and Taxation

Woodrow A. Myers, Jr., M.D.
Executive Vice President and Chief Medical Officer

Biographical affidavits for each of the current directors and executive officers of WellPoint are attached as Exhibit 3-A. Such affidavits set forth for each person, among other information, his or her business address, present principal business activity, occupation or

employment, including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on, as well as material occupations, positions, offices or employments held during the period specified therein, but in no event for less than the last five years. Except as set forth in such biographical affidavits, no such occupation, position, office or employment required licensing by or registration with any federal, state, county or municipal governmental agency. None of such persons has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION.

(a) The aggregate consideration payable by WellPoint in connection with the Merger is One Billion Three Hundred Million Dollars (\$1,300,000,000) (the “Merger Consideration”). The Merger Consideration will consist of cash in an amount not less than Four Hundred Fifty Million Dollars (\$450,000,000) and WellPoint Common Stock with a value not to exceed Eight Hundred Fifty Million Dollars (\$850,000,000). If the average of the daily closing price of the WellPoint Common Stock for the 20-trading day period ending on the fifth trading day prior to the Closing is below \$70 per share, WellPoint has the right to calculate the number of shares to be issued for Merger Consideration as if WellPoint Common Stock were valued at \$70 per share, and to make up the difference in Merger Consideration by issuing subordinated notes. The interest rate of the subordinated notes will be set such that the market value of the notes equals their face value at Closing. Provisions have been made in the Merger Agreement to assure that the WellPoint Common Stock issued as Merger Consideration may be sold immediately after Closing by the holder thereof in compliance with applicable securities laws. The description of the Merger Consideration contained herein is qualified in its entirety by reference to the full text of the Merger Agreement which is attached as Exhibit 1-A1 to this Acquisition Statement.

(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 CareFirst, Inc. The negotiation process, in which legal counsel and 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 CareFirst, Inc., BCBS-NCA, BCBS-MD and BCBSD and their respective subsidiaries, including, without limitation, their earnings and cash flows, the character and quality of their assets, and the extent of their liabilities.

CareFirst, Inc.’s Board of Directors obtained a written opinion from Credit Suisse First Boston regarding the fairness of the Merger Consideration from a financial point of view. Specifically, on November 20, 2001, Credit Suisse First Boston rendered an opinion to the CareFirst, Inc. Board of Directors 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 Credit Suisse First Boston opinion contained herein is qualified in its entirety by reference to the full text of the opinion which is attached as Exhibit 4-B to this Acquisition Statement. Also included in Exhibit

4-B is a copy of the presentation made by Credit Suisse First Boston to CareFirst Inc.'s Board of Directors on November 20, 2001 in support of its opinion.

(c) The cash portion of the Merger Consideration in the amount of not less than \$450 million will be paid from WellPoint's cash on hand, supplemented by borrowings under WellPoint's existing \$1.0 billion revolving credit facility with a syndicate of banks led by Bank of America, N.A. and The Chase Manhattan Bank and/or borrowings under WellPoint's commercial paper program. A copy of the WellPoint Unsecured Revolving Credit Facility Agreements comprising its revolving credit facility is attached hereto as Exhibit 4-C.

ITEM 5. FUTURE PLANS FOR INSURER.

WellPoint has no present plans to cause CareFirst, Inc., BCBS-NCA, BCBS-MD, BCBSD or any other subsidiary of CareFirst, Inc. 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 the Merger. There also are presently no plans to make any other material change in CareFirst, Inc., BCBS-NCA, BCBS-MD, BCBSD or any other subsidiary's 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. WellPoint has a proven expertise in the development of innovative and cost-effective health benefit products and, if appropriate after studying the local markets, may enhance the product portfolios of BCBS-NCA, BCBS-MD, BCBSD and their respective subsidiaries.

From and after the Merger, until successors are elected or appointed and qualified, the Board of Directors of CFAC shall become the Board of Directors of CareFirst, Inc. The officers of CareFirst, Inc. immediately prior to the Merger will remain the officers of CareFirst, Inc. following the Merger. The Merger Agreement provides that WellPoint will appoint one non-employee member of the existing Board of Directors of CareFirst, Inc. to serve on WellPoint's Board of Directors. In addition, an advisory board will be formed for each of BCBS-NCA, BCBS-MD and BCBSD to which WellPoint will invite to become members each person who serves as a director of one of these companies at the time of Closing. Directors of CareFirst, Inc. at the time of Closing also will be invited to serve on one of the three advisory boards. Each advisory board will provide advice to its respective company regarding the company's relationship with subscribers, providers and the general public.

The Merger Agreement provides that from and after the Closing of the Merger, the headquarters of BCBS-NCA will be located in the District of Columbia and that the headquarters and principal executive offices of the WellPoint Southeast Business Region will be in Maryland. The Merger Agreement also provides that, at the Closing of the Merger, William Jews, CareFirst, Inc.'s President and Chief Executive Officer, shall become President of WellPoint's Southeast Business Region and other senior executives of CareFirst, Inc. shall be assigned significant responsibilities with respect to the business of CareFirst, Inc.

Information required by Item 3 will be filed for any proposed new directors (including the directors of CFAC who will become directors of CareFirst, Inc. at Closing) and new executive officers of CareFirst, Inc. or BCBS-NCA identified prior to the approval of this Acquisition Statement as a supplement to this Acquisition Statement and, after being filed, will be incorporated herein by reference as Exhibit 5-A hereto.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED.

WellPoint intends to acquire 100% of the outstanding shares of CareFirst, Inc. stock held by the tax-exempt Foundations 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 CareFirst, Inc.

The fairness of the Merger Consideration was determined through arm's length negotiation among the parties to the Merger Agreement. As described above, CareFirst, Inc. received a written opinion dated November 20, 2001 from Credit Suisse First Boston 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 CareFirst, Inc. common stock. The description of the Credit Suisse First Boston opinion contained herein is qualified in its entirety by reference to the full text of the opinion which is attached as Exhibit 4-B to this Acquisition Statement.

ITEM 7. OWNERSHIP OF VOTING SECURITIES.

No person listed in Item 3 hereof has any legal or beneficial interest in any voting security of CareFirst, Inc. or any Acquired Subsidiary. Other than the rights of WellPoint existing under the Merger Agreement, neither WellPoint, any of its affiliates, nor any person listed in Item 3 hereof has any right or has entered into any agreement to purchase or otherwise acquire any such voting security.

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

Other than the Merger Agreement and the transactions contemplated thereby, there are no contracts, arrangements or understandings with respect to any voting security of CareFirst,

Inc. or any Acquired Subsidiary, in which WellPoint, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or of profits, division of losses or profits or the giving or withholding of proxies of CareFirst, Inc. or any Acquired Subsidiary.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES.

Neither WellPoint nor 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 CareFirst, Inc. or any Acquired Subsidiary.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE.

Neither WellPoint nor 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 or make any contract, arrangement or understanding with respect to any voting security, loan or option arrangement, put or call, guarantee of loans, guarantee against loss or of profits, division of losses or profits or the giving or withholding of proxies of CareFirst, Inc. or any Acquired Subsidiary.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS.

No agreement, arrangement or understanding has been made by WellPoint or CareFirst, Inc. with any broker-dealer as to solicitation of voting securities of CareFirst, Inc. or any Acquired Subsidiary 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-B1 through Exhibit 2-B11. These financial statements contain consolidated financial statements for WellPoint and for all of the WellPoint affiliates listed in Exhibit 2-C1.

(b) List of Financial Statements and Exhibits.

Exhibit Reference	Description of Exhibit
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<u>Exhibit 1-A1</u>	Agreement and Plan of Merger dated November 20, 2001, between WellPoint, CFAC and CareFirst, Inc.
<u>Exhibit 1-A2</u>	Resolutions of the Board of Directors of CareFirst, Inc. Authorizing the Acquisition
<u>Exhibit 1-A3</u>	Resolutions of the Board of Directors of BCBS-NCA Authorizing the Acquisition
<u>Exhibit 1-A4</u>	Resolutions of the Board of Directors of BCBS-MD Authorizing the Acquisition
<u>Exhibit 1-A5</u>	Resolutions of the Board of Directors of BCBSD Authorizing the Acquisition
<u>Exhibit 1-A6</u>	Community Impact Statement Prepared by Accenture
<u>Exhibit 1-A7</u>	Resolutions of the Board of Directors of WellPoint Authorizing the Acquisition
<u>Exhibit 1-A8</u>	Resolutions of the Board of Directors of CFAC Authorizing the Acquisition
<u>Exhibit 2-B1</u>	Annual Report on Form 10-K for WellPoint for the year ending December 31, 2000
<u>Exhibit 2-B2</u>	Annual Report on Form 10-K for WellPoint for the year ending December 31, 1999
<u>Exhibit 2-B3</u>	Annual Report on Form 10-K for WellPoint for the year ending December 31, 1998
<u>Exhibit 2-B4</u>	Annual Report on Form 10-K for WellPoint for the year ending December 31, 1997
<u>Exhibit 2-B5</u>	Annual Report on Form 10-K for WellPoint for the year ending December 31, 1996
<u>Exhibit 2-B6</u>	Annual Report to Stockholders for WellPoint for the year ending December 31, 2000
<u>Exhibit 2-B7</u>	Annual Report to Stockholders for WellPoint for the year ending December 31, 1999

<u>Exhibit 2-B8</u>	Annual Report to Stockholders for WellPoint for the year ending December 31, 1998
<u>Exhibit 2-B9</u>	Annual Report to Stockholders for WellPoint for the year ending December 31, 1997
<u>Exhibit 2-B10</u>	Annual Report to Stockholders for WellPoint for the year ending December 31, 1996
<u>Exhibit 2-B11</u>	Quarterly Report on Form 10-Q for WellPoint for the period ending September 30, 2001
<u>Exhibit 2-C1</u>	PreAcquisition Organizational Chart of WellPoint and its Affiliates
<u>Exhibit 2-C2</u>	PostAcquisition Organizational Chart of WellPoint and its Affiliates
<u>Exhibit 3-A</u>	Biographical Affidavits for all Current Directors and Executive Officers of WellPoint
<u>Exhibit 4-B</u>	Fairness Opinion Issued by Credit Suisse First Boston to the Board of Directors of CareFirst, Inc. and Presentation to the Board of Directors of CareFirst, Inc. on November 20, 2001
<u>Exhibit 4-C</u>	WellPoint Unsecured Revolving Credit Facility Agreements
<u>Exhibit 5-A</u>	Biographical Information for the Proposed Directors and Executive Officers of CareFirst, Inc. and BCBS-NCA (to be provided by supplemental filing, as necessary)
<u>Exhibit 6-A1</u>	Annual Report for CareFirst, Inc. for the year ending December 31, 2000
<u>Exhibit 6-A2</u>	Annual Report for CareFirst, Inc. for the year ending December 31, 1999

(c) The Merger Agreement is the only agreement between WellPoint and CareFirst, Inc. for 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 CareFirst, Inc. Attached as Exhibits 6-A1 and 6-A2 are the CareFirst, Inc. annual reports for the last two years. WellPoint's annual reports to stockholders for the last two years are attached as Exhibits 2-B6 and 2-B7.

ITEM 13. SIGNATURE AND CERTIFICATION.

SIGNATURE

Pursuant to the requirements of Section 31-703 of the D.C. Code Annotated, WellPoint Health Networks Inc. has caused this application to be duly signed on its behalf in the City of _____ and State of _____, on the _____ day of January, 2002.

WellPoint Health Networks Inc.

(SEAL)

By: _____
(Name)

(Title)

Attest:

(Signature of Officer)

Title

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached application dated January ____, 2002, for and on behalf of WellPoint Health Networks Inc., that s/he is the _____ of WellPoint Health Networks Inc. and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name)

Date: _____