CREDIT SUISSE | FIRST BOSTON

CREDIT SUISSE FIRST BOSTON CORPORATION

Eleven Madison Avenue
New York, NY 10010-3629

Telephone 212 325 2000

PRIVATE AND CONFIDENTIAL

February 20, 2001

Leonard D. Schaeffer
Chairman and Chief Executive Officer
WellPoint Health Networks Inc.
One WellPoint Way
Thousand Oaks, CA 91362

Dear Leonard:

On behalf of CareFirst, Inc. ("CareFirst" or the "Company"), we at Credit Suisse First Boston are pleased to inform you of the timing and procedures with respect to you pursuing a possible transaction involving CareFirst.

CareFirst has requested that we solicit definitive proposals (the "Proposal") for a potential acquisition of the Company from a limited number of interested parties. Please submit your Proposal in accordance with the guidelines set forth below and the attached addendum:

1) Please submit in writing to Credit Suisse First Boston your Proposal no later than 5:00 p.m. EST on Wednesday, February 28, 2001. Your Proposal should be addressed to:

   Credit Suisse First Boston Corporation
   Eleven Madison Avenue, 23rd Floor
   New York, New York 10010-3629

   Attention: Benjamin C. Adams
   Director

   Telephone: (212) 538-7193
   Telefax: (212) 325-8000

   Please include the names and telephone numbers of those persons we should contact when responding to your Proposal.

2) Please indicate the aggregate enterprise value in U.S. dollars that you would be prepared to offer for CareFirst. Please indicate the form and structure of the consideration to be offered.

3) Please indicate the expected sources of financing, if applicable, including anticipated timing to secure the necessary financing and any material conditions related to such financing.

4) To the extent the form of consideration includes a non-cash component, please indicate your proposed method for protecting the absolute value of such consideration, as well as any limitations on the ability to freely sell any securities received.

5) Please submit a complete mark-up of the Merger Agreement ("Agreement") attached. Material deviations will be considered in evaluating your Proposal.

6) An important consideration for the Company in evaluating Proposals will be the certainty with which it can expect to reach a definitive agreement with an interested party. Therefore, please include with your definitive Proposal all material terms and conditions on which your offer is based.

7) CareFirst will evaluate Proposals based on a number of key issues, not all of which are addressed in the Agreement. Please provide guidance on the following items: location of corporate headquarters, corporate name and branding, composition of the Board of Directors, continued role of existing directors of the Maryland, District of Columbia and Delaware subsidiaries, organizational and reporting structures, location of employees and facilities by state, commitment to CareFirst employees, continued relationships with CareFirst providers and continued service of existing CareFirst market segments.

8) Please provide a detailed description of additional, confirmatory due diligence, if any, you would need to complete prior to signing a definitive agreement, including a list of documents you would like to review and questions which you would need answered.

9) Please outline your proposed timetable for consummating a transaction and any material considerations affecting your timing, including a description of any corporate, shareholder, regulatory or other approvals necessary to complete a transaction. Your Proposal should include any other relevant information which might influence your ability to consummate a transaction in a timely fashion.

Interested parties are reminded that the existence and contents of this letter are subject to the Confidentiality Agreement that they have previously executed. Under no circumstances should you or your representatives contact anyone at CareFirst regarding this process. The Company reserves the right, at any time prior to the signing of a binding Agreement, and without advance notice, to reject any interested party from further consideration, to change the procedures outlined herein, to negotiate with one or more interested parties regarding a potential acquisition of the Company or to amend or terminate discussions with any or all interested parties. An invitation to participate in further due diligence does not constitute an acceptance by the Company of any Proposal.

In the event that you should decide not to pursue this matter further, as agreed in the Confidentiality Agreement, we would ask you to return the evaluation material and any other information regarding the Company supplied to you during the process. Although the Company believes that all the information that has been provided to you to date has been accurate and that any information provided to you in the future as part of this process will be accurate, the Company and Credit Suisse First Boston disclaim any representations and warranties with respect to the accuracy or completeness of such information. The only representations or warranties with respect to such information will be those set forth in the fully-executed Agreement.

On CareFirst's behalf, we appreciate your interest in the Company and your cooperation. Please direct any questions you may have regarding the guidelines for submitting your Proposal or any other matter to me at (212) 538-7193.

Sincerely,

Benjamin C. Adams

cc: William L. Jews
David D. Wolf
John A. Picciotto
Elizabeth Grieb
David L. Caplan

Attachment

ADDENDUM TO BIDDING PROCEDURES LETTER
WELLPOINT HEALTH NETWORKS INC.

Referring to numbered Paragraph 7 of the attached letter, in addition to the items listed, please confirm the following as agreed terms of your Proposal:

1. The combined companies would continue to maintain a substantial presence of employees and facilities in Maryland, the District of Columbia and Delaware.

2. CareFirst management will be responsible for WellPoint's Eastern Region. Please explain the composition of the Eastern Region as it relates to organizational and reporting structures.