

## CONSOLIDATED BALANCE SHEETS

WELLCHOICE, INC. AND SUBSIDIARIES

December 31	2002	2001
	<i>(in thousands, except share and per share data)</i>	
<b>Assets</b>		
Investments:		
Fixed maturities, at fair value (amortized cost: \$846,617 and \$909,497)	\$ 863,290	\$ 919,864
Marketable equity securities, at fair value (cost: \$47,022 and \$23,482)	44,548	23,418
Short-term investments	359,490	225,298
Other long-term equity investments	28,220	27,157
Total investments	1,295,548	1,195,737
Cash and cash equivalents	487,431	408,588
Total investments and cash and cash equivalents	1,782,979	1,604,325
Receivables:		
Billed premiums, net	111,082	135,965
Accrued premiums	247,729	267,583
Other amounts due from customers, net	94,475	68,453
Notes receivable, net	12,059	10,449
Advances to hospitals, net	124	1,613
Accrued investment income	9,829	9,446
Insurance proceeds receivable	—	13,716
Miscellaneous, net	70,644	49,358
Total receivables	545,942	556,583
Property, equipment and information systems, net of accumulated depreciation	100,790	102,949
Prepaid pension expense	45,209	39,253
Deferred taxes, net	268,948	118,904
Other	33,587	27,573
Total assets	\$2,777,455	\$2,449,587
<b>Liabilities and stockholders' equity</b>		
Liabilities:		
Unpaid claims and claims adjustment expense	\$ 559,924	\$ 634,130
Unearned premium income	127,503	120,182
Managed cash overdrafts	170,270	174,602
Accounts payable and accrued expenses	111,842	114,713
Advance deposits	137,762	211,256
Group and other contract liabilities	112,870	96,554
Postretirement benefits other than pensions	143,736	138,206
Obligations under capital lease	47,700	50,079
Other	129,586	80,620
Total liabilities	1,541,193	1,620,342
Stockholders' equity:		
Class A common stock, \$0.01 per share value, 225,000,000 shares authorized; 83,490,477 shares issued and outstanding	835	—
Class B common stock, \$0.01 per share value, one share authorized; one share issued and outstanding	—	—
Preferred stock, \$0.01 per share value, 25,000,000 shares authorized; none issued and outstanding	—	—
Additional paid-in capital	1,255,566	—
Retained deficit	(38,542)	—
Unassigned reserves	—	813,310
Accumulated other comprehensive income	18,403	15,935
Total stockholders' equity	1,236,262	829,245
Total liabilities and stockholders' equity	\$2,777,455	\$2,449,587

See notes to consolidated financial statements.