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# NEWS RELEASE

A.M. BEST COMPANY, OLDWICK, NJ • A.M. BEST INTERNATIONAL, LONDON

A.M. BEST EUROPE, LONDON • A.M. BEST ASIA-PACIFIC, HONG KONG

<http://www.ambest.com>

**FOR IMMEDIATE RELEASE**

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**A.M. Best Affirms Financial Strength and Debt Ratings of PacifiCare and American Medical Security After Merger Announcement**

**Ratings Supplement**

The financial strength rating of A- (Excellent) has been affirmed with a stable outlook for the following subsidiaries of PacifiCare Health Systems Inc.:

- **PacifiCare of California, Inc.**
- **PacifiCare Life and Health Insurance Company**

The financial strength rating of B++ (Very Good) has been affirmed with a stable outlook for the following subsidiaries of PacifiCare Health Systems Inc.:

- **PacifiCare Life Assurance Company**
- **PacifiCare of Arizona, Inc.**
- **PacifiCare of Colorado, Inc.**
- **PacifiCare of Nevada, Inc.**
- **PacifiCare of Oklahoma, Inc.**
- **PacifiCare of Oregon, Inc.**
- **PacifiCare of Washington**
- **PacifiCare of Texas, Inc.**
- **PacifiCare Behavioral Health of California, Inc.**
- **PacifiCare Dental**

The following debt ratings have been affirmed with a stable outlook:

**PacifiCare Health Systems Inc.—**

-- “bbb-” on \$325 million 10.75% senior unsecured notes, due 2009

-- “bb+” on \$135 million 3.0% convertible subordinated notes, due 2032

—MORE—



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The following indicative debt ratings under the \$600 million shelf registration have been affirmed with a stable outlook:

**PacifiCare Health Services Inc.—**

-- “bbb-” on senior unsecured

-- “bb+” on subordinated

-- “bb” on preferred stock

The financial strength rating of A- (Excellent) has been affirmed with a stable outlook for the following subsidiary of American Medical Security Group:

- **United Wisconsin Life Insurance Company**

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