

EXHIBIT A

RESOLUTIONS OF THE BOARD OF DIRECTORS OF PACIFICARE HEALTH SYSTEMS, INC.

APPROVAL OF MERGER

WHEREAS, the Board of Directors of PacifiCare Health Systems, Inc., a Delaware corporation (the "**Parent**"), believes that it is advisable and in the best interests of Parent and its stockholders for Parent: (i) to enter into, and cause its wholly-owned subsidiary, AMS Acquisition Corp., a Wisconsin corporation ("**Merger Sub**"), to enter into, an Agreement and Plan of Merger (the "**Merger Agreement**") with American Medical Security Group, Inc., a Wisconsin corporation ("**AMS**"), and (ii) to acquire all of the outstanding capital stock of AMS at a price of \$32.75 per share of AMS Common Stock in cash through a merger of Merger Sub with and into AMS (the "**Merger**") with AMS being the surviving corporation and to cash out all of the outstanding options, restricted stock, deferred stock and deferred stock units of AMS for cash in accordance with the Merger Agreement;

WHEREAS, the Board has received and had an opportunity to review an Agreement and Plan of Merger to be entered into by and among AMS, Parent, and Merger Sub, a copy of which is attached hereto as *Exhibit 1* (the "**Merger Agreement**", and including the exhibits thereto, the "**Merger Documents**");

WHEREAS, the Board has received the opinion of Morgan Stanley dated September 13, 2004 and an opinion of MTS Health Partners, L.P. dated September 13, 2004, each opinion to the effect that the merger consideration to be paid by Parent to the stockholders of AMS in connection with the Merger is fair to Parent from a financial point of view; and

WHEREAS, after due consideration of many factors, the Board believes that the acquisition of AMS through the Merger is advisable, fair and in the best interests of Parent and its stockholders.

NOW, THEREFORE, BE IT RESOLVED, that the Merger Agreement be, and it hereby is, authorized, approved and declared advisable in all respects;

RESOLVED FURTHER, that the Merger Documents, substantially in the forms presented at this meeting and attached hereto as *Exhibit 1* and the transactions contemplated thereby, be, and they hereby are, authorized and approved in all respects, subject to any modifications or amendments to provisions (other than the amount and type of merger consideration or other material financial terms) that the officers of Parent, upon advice of financial advisors and counsel, may approve, which approval shall be evidenced conclusively by such officer's execution and delivery of the modified or amended Merger Documents, exhibits or schedules;

RESOLVED FURTHER, that the officers of Parent be, and each of them hereby is, authorized and directed, for and on behalf of Parent, to take any action that may be necessary to

execute, deliver and perform the Merger Documents and to carry out the transactions contemplated by the Merger Documents and the Mergers, including the execution and delivery of other agreements, including employment agreements and voting agreements, instruments, certificates or other documents related thereto and to cause Parent and Merger Sub to perform their obligations thereunder; and

RESOLVED FURTHER, that if the Merger Agreement and the transactions contemplated thereby are approved and adopted by the shareholders of the Company and the other conditions to closing in the Merger Agreement are satisfied or waived by Parent, the appropriate officers of Parent be, and each of them hereby is, authorized and empowered on behalf of and in the name of Parent and Merger Sub to execute and file with the Department of Financial Institutions of the State of Wisconsin articles of merger merging Merger Sub with and into the Company.

FORMATION OF MERGER SUB

RESOLVED, that the formation and organization of Merger Sub is hereby ratified and approved;

FURTHER RESOLVED, that Parent's purchase of 100 shares of Common Stock, no par value per share, of Merger Sub at a purchase price of \$0.001 per share for a total purchase price of \$0.10, and the representation of Parent that such securities have been purchased for the account of Parent for investment and not with a view to or for sale in connection with any distribution of such securities is hereby ratified and approved;

FURTHER RESOLVED, that the officers of Parent be, and each of them hereby is, authorized, empowered and directed, for and on behalf of Parent, to execute and deliver all agreements and instruments, effect all filings and qualifications, and take all further actions, that any such officer deems to be necessary or appropriate to complete the formation and organization of Merger Sub, and all such prior actions be, and they hereby are, ratified and approved in all respects; and

FURTHER RESOLVED, that the appropriate officers of Parent be, and each of them hereby is, authorized and directed, for and on behalf of Parent, to vote said shares in favor of the adoption by Merger Sub of the Merger and the Merger Agreement and the transactions contemplated thereby.

CONSENTS AND APPROVALS

RESOLVED, that the appropriate officers of Parent be, and each of them hereby is, authorized, empowered and directed, in the name of and for and on behalf of Parent, to make, execute, file and deliver any and all consents, approvals, certificates, documents, instruments, amendments, papers or writings as may be required to comply with any state insurance law or other statute, rule or regulation or any federal or state securities, corporation or other laws or other statutes, rules or regulations in connection with or in furtherance of the foregoing, and to do any and all other acts necessary or desirable to effectuate the foregoing resolutions and all the transactions contemplated herein, the execution and delivery thereof by such officers of Parent to

be deemed conclusive evidence of the approval by Parent of the terms, provisions and conditions thereof; and

FURTHER RESOLVED, that the appropriate officers of Parent be, and each of them hereby is, authorized, empowered and directed, in the name of and for and on behalf of Parent, to prepare or cause to be prepared, and to execute, verify and file, such other schedules, statements, reports, documents, powers or amendments thereto that, in the judgment of the officer taking such action, are necessary or appropriate in order to obtain any order, approval or certificate of, or from, the Commissioner of Insurance of the State of Wisconsin, the Commissioner of Insurance of the State of Georgia or any other federal, foreign or state governmental office, agency or entity.

ANTITRUST FILINGS

RESOLVED, that in order for Parent to comply with any applicable requirements of domestic or foreign antitrust or competition laws, statutes, rules and regulations (the "*Antitrust Requirements*"), including, but not limited to, any filing requirements thereunder, the appropriate officers of Parent be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of Parent, with the assistance of counsel, to prepare, execute, deliver and file or cause to be prepared, executed, delivered and filed all notifications, reports, statements, documents and information, if any, required to be filed by Parent pursuant to the Antitrust Requirements and to respond to any requests for additional information and to meet or confer with, or to cause counsel to meet or confer with, officials of any domestic or foreign regulatory authority relating to the Merger or any related transaction.

LEGAL PROCEEDINGS

RESOLVED, that the appropriate officers of Parent be, and each of them hereby is, authorized, empowered and directed, in the name of and for and on behalf of Parent, to take any steps in connection with initiating or defending legal proceedings in any federal, state or foreign court or governmental agency that may be necessary or appropriate in connection with the Merger or any related transaction and to execute any and all further instruments or any amendments thereto and to effect all necessary filings or any amendments thereto with any and all appropriate federal, state and foreign courts or regulatory authorities.

PAYMENT OF FEES

RESOLVED, that the appropriate officers of Parent be, and each of them hereby is, authorized, empowered and directed, in the name of and for and on behalf of Parent, to pay all necessary and reasonable fees incurred by Parent or Merger Sub in connection with the Merger and related transactions, including, but not limited to, all printing expenses, fees and expenses of Parent's investment bankers, auditors and legal counsel, fees and expenses of outside consultants, filing fees to be made in connection with Antitrust Requirements, Form A filings or filings with any other governmental agency.

ANCILLARY POWERS AND RATIFICATION OF PAST ACTS

RESOLVED, that the officers of Parent be, and each of them hereby is, authorized and directed, for and on behalf of Parent, to take all such actions, to make all necessary filings, to execute any applications, certificates, agreements, or any other instruments, documents, amendments or supplements to such documents and to do any and all other acts deemed necessary, desirable or in the best interests of Parent in order to carry out the intent and to effectuate the purposes of the foregoing resolutions; and

RESOLVED FURTHER, that any and all actions heretofore taken by the officers of Parent with respect to the preparation and negotiation of the Merger Documents, and that are consistent with the foregoing resolutions, are hereby ratified, approved, authorized, confirmed and accepted in all respects as the acts and deeds of Parent.

EXHIBIT 1
MERGER AGREEMENT AND EXHIBITS