BEFORE THE DIRECTOR OF THE STATE OF IDAHO
DEPARTMENT OF INSURANCE

FILED
AUG 07 2007
Department of Insurance
State of Idaho

In the Matter of:	)	
	)	Docket No. 18-2346-07
UNITED HEALTHCARE	)	
INSURANCE COMPANY, ET AL.	)	**CONSENT ORDER**
	)	
NAIC Co. Code: 79413	)	
Idaho Certificate of Authority #1010	)	
	)	

CONSENT ORDER

CONFIDENTIAL UNTIL AFTER EFFECTIVE DATE
(as defined in Exhibit A, paragraph D.10., p. 16 of 41)

THIS CAUSE came on for consideration and final agency action by the Director of the Idaho Department of Insurance (hereinafter "Department"). Upon consideration of the record, and being otherwise fully advised in the premises, the Director of the Idaho Department of Insurance of this state hereby finds:

1. United HealthCare Insurance Company (hereinafter "Company"), Idaho Certificate of Authority No. 1010, is licensed to transact insurance in this state. Accordingly, the Department has jurisdiction over the subject matter of this proceeding and the Company.

2. Arkansas, Connecticut, Florida, Iowa and New York were the Lead Regulatory states in a multi-state analysis of claims handling and other insurance administrative practices related to the utilization of two multi-state national computer platforms. The states alleged violations of insurance and health maintenance organization statutes, which allegations the Company acknowledges and neither admits nor denies.

3. A proposed regulatory settlement has been presented to the Department, the terms of which are set forth in the Regulatory Settlement Agreement signed by New York as the fifth

lead regulator on June 27, 2007, which has been executed by the Company (and affiliates not authorized to do business in Idaho) and the Arkansas, Connecticut, Florida, Iowa and New York Insurance Commissioners as Lead Regulators and is attached hereto and incorporated herein as **Exhibit A.** The signature page (page 23 adopting the agreement without reservation), which the undersigned has also signed, is attached hereto and incorporated herein as **Exhibit B**.

4. The Company and states have agreed to compromise and settle this matter by waiving any rights the companies may have had to a public hearing, and the parties have submitted this matter to me along with a specific recommendation for adoption of the agreement in Idaho.

5. Pursuant to the Regulatory Settlement Agreement, the Company has agreed to pay a monetary assessment, retain an independent examiner, and comply with certain criteria - all as set forth in Exhibit A.

6. To the extent the Consent Order affects Idaho insureds, it shall be governed by the laws of the State of Idaho, and the jurisdiction of any dispute arising under this Consent Order shall be vested in the Director of the Idaho Department of Insurance or the courts of this state.

7. After carefully considering the recommendations of the parties and the terms of Exhibit A, **IT IS HEREBY ORDERED:**

The Regulatory Settlement Agreement, attached and incorporated herein as Exhibit A, is hereby approved, adopted and fully incorporated herein by reference. Upon the Effective Date, the Company shall initiate compliance with all terms and conditions of the agreement, Exhibit A.

The agreement, Exhibit A, and this order shall remain CONFIDENTIAL until publicly announced by one or more of the Lead Regulators, Arkansas, Connecticut, Florida, Iowa and New York.

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The agency will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5246(4), Idaho Code.

Pursuant to Sections 67-5270 and 67-5272, Idaho Code, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

i. A hearing was held,
ii. The final agency action was taken,
iii. The party seeking review of the order resides, or operates its principal place of business in Idaho, or
iv. The real property or personal property that was the subject of the agency action is located.

An appeal must be filed within twenty-eight (28) days (a) of this final order, (b) of an order denying any petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. See Section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

DATED and EFFECTIVE this 7th day of August 2007.

William Deal

WILLIAM W. DEAL, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have on this 7th day of August 2007, caused a true and correct copy of the foregoing document to be served upon the following by the designated means:

Forrest Burke, General Counsel UnitedHealthcare 5901 Lincoln Drive Edina, MN 55436	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Nicholas Thompson, Esq. Mitchell Williams Selig Gates & Woodyard, PLLC 425 West Capitol Avenue, Suite 1800 Little Rock, AR 72201	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Iowa Insurance Division Commissioner Susan Voss 330 Maple Street Des Moines, IA 50319-0065	☒ first class mail ☐ certified mail ☐ hand delivery ☐ via facsimile
Thomas Donovan Deputy Attorney General Idaho Department of Insurance 700 W. State Street, 3rd Floor P.O. Box 83720 Boise, ID 83720 - 0043	☐ first class mail ☐ certified mail ☒ hand delivery ☐ via facsimile

Teresa Jones
Assistant to the Director

IN THE MATTER OF
UNITEDHEALTHCARE INSURANCE COMPANY, ET AL.
REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("Agreement") is entered into as of this ___ day of _____, 2007 ("Execution Date"), by and among UnitedHealthcare Insurance Company, UnitedHealthcare Insurance Company of Illinois, UnitedHealthcare Insurance Company of New York, UnitedHealthcare Insurance Company of Ohio, UnitedHealthcare of Alabama, Inc., UnitedHealthcare of Arizona, Inc., UnitedHealthcare of Arkansas, Inc., UnitedHealthcare of Colorado, Inc., UnitedHealthcare of Florida, Inc., UnitedHealthcare of Georgia, Inc., UnitedHealthcare of Kentucky, Ltd., UnitedHealthcare of Louisiana, Inc., UnitedHealthcare of Mississippi, Inc., UnitedHealthcare of New England, Inc., UnitedHealthcare of New Jersey, Inc., UnitedHealthcare of Ohio, Inc., UnitedHealthcare of Tennessee, Inc., UnitedHealthcare of Texas, Inc., UnitedHealthcare of the Midlands, Inc., UnitedHealthcare of the Midwest, Inc., UnitedHealthcare of Utah, UnitedHealthcare of Illinois, Inc., UnitedHealthcare of New York, Inc., UnitedHealthcare of North Carolina, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., and UnitedHealthcare of Wisconsin, Inc. (collectively the "UHC Companies"), the Commissioner of the Arkansas Department of Insurance, the Commissioner of the Connecticut Insurance Department, the Commissioner of the Florida Office of Insurance Regulation, the Commissioner of the Iowa Insurance Division, and the Superintendent of the New York State Insurance Department (collectively the "Lead Regulators"), and the insurance regulators of each of the remaining jurisdictions and the District of Columbia that agree to approve this Agreement (the "Participating Regulators") (the Lead Regulators and Participating Regulators are collectively referred to herein as "Signatory Regulators").

EXHIBIT
A

A. Recitals

A.1. UnitedHealthcare Insurance Company is a Connecticut corporation and at all relevant times, has been a licensed insurance company in all jurisdictions and the District of Columbia.

A.2. UnitedHealthcare Insurance Company of Illinois is an Illinois corporation and at all relevant times, has been a licensed insurance company in Florida and Illinois.

A.3 UnitedHealthcare Insurance Company of New York is a New York corporation and at all relevant times, has been a licensed insurance company in New York.

A.4. UnitedHealthcare Insurance Company of Ohio is an Ohio corporation and at all relevant times, has been a licensed insurance company in Ohio.

A.5. UnitedHealthcare of Alabama, Inc. is an Alabama corporation and at all relevant times, has been a licensed health maintenance organization in Alabama.

A.6. UnitedHealthcare of Arizona, Inc. is an Arizona corporation and at all relevant times, has been a licensed health maintenance organization in Arizona.

A.7. UnitedHealthcare of Arkansas, Inc. is an Arkansas corporation and at all relevant times, has been a licensed health maintenance organization in Arkansas.

A.8. UnitedHealthcare of Colorado, Inc. is a Colorado corporation and at all relevant times, has been a licensed health maintenance organization in Colorado.

A.9. UnitedHealthcare of Florida, Inc. is a Florida corporation and at all relevant times, has been a licensed health maintenance organization in Florida.

A.10. UnitedHealthcare of Georgia, Inc. is a Georgia corporation and at all relevant times, has been a licensed health maintenance organization in Georgia.

A.11. UnitedHealthcare of Kentucky, Ltd. is a Kentucky organization and at all relevant times, has been a licensed health maintenance organization in Indiana and Kentucky.

A.12. UnitedHealthcare of Louisiana, Inc. is a Louisiana corporation and at all relevant times, has been a licensed health maintenance organization in Louisiana.

A.13. UnitedHealthcare of Mississippi, Inc. is a Mississippi corporation and at all relevant times, has been a licensed health maintenance organization in Mississippi.

A.14. UnitedHealthcare of Ohio, Inc. is an Ohio corporation and at all relevant times, has been a licensed health maintenance organization in Kentucky and Ohio.

A.15. UnitedHealthcare of Tennessee, Inc. is a Tennessee corporation and at all relevant times, has been a licensed health maintenance organization in Tennessee.

A.16. UnitedHealthcare of Texas, Inc. is a Texas corporation and at all relevant times, has been a licensed health maintenance organization in Texas.

A.17. UnitedHealthcare of the Midlands, Inc. is a Nebraska corporation and at all relevant times, has been a licensed health maintenance organization in Iowa and Nebraska.

A.18. UnitedHealthcare of the Midwest, Inc. is a Missouri corporation and at all relevant times, has been a licensed health maintenance organization in Illinois, Kansas, and Missouri.

A.19. UnitedHealthcare of Utah is a Utah corporation and at all relevant times, has been a licensed health maintenance organization in Utah.

A.20. UnitedHealthcare of Illinois, Inc. is an Illinois corporation and at all relevant times, has been a licensed health maintenance organization in Illinois and Indiana.

A.21. UnitedHealthcare of New England, Inc. is a Rhode Island corporation and at all relevant times has been a licensed health maintenance organization in Massachusetts and Rhode Island.

A.22. UnitedHealthcare of New Jersey, Inc.. is a New Jersey corporation and at all relevant times has been a licensed health maintenance organization in New Jersey.

A.23. UnitedHealthcare of New York, Inc. is a New York corporation and at all relevant times has been a licensed health maintenance organization in New York.

A.24. UnitedHealthcare of North Carolina, Inc. is a North Carolina corporation and at all relevant times has been a licensed health maintenance organization in North Carolina.

A.25. UnitedHealthcare of the Mid-Atlantic, Inc. is a Maryland corporation and at all relevant times has been a licensed health maintenance organization in the District of Columbia, Delaware, Maryland, and Virginia.

A.26. UnitedHealthcare of Wisconsin, Inc. is a Wisconsin corporation and at all relevant times has been a licensed health maintenance organization in Wisconsin.

A.27. The UHC Companies are all affiliates or subsidiaries of UnitedHealthcare Insurance Company.

A.28. In December 2004, based upon reported complaint data, market analysis and findings of market conduct examinations by certain Signatory Regulators, certain of the Lead Regulators and Participating Regulators, facilitated by the Market Analysis Working Group ("MAWG-X") of the National Association of Insurance Commissioners ("NAIC"), began a multistate analysis, in which other insurance regulatory officials have joined, of the UHC Companies. The analysis focused on the UHC Companies' compliance with certain insurance and health maintenance organization laws of the various jurisdictions.

A.29. In cooperation with this analysis, the UHC Companies began reporting to and working with MAWG-X regarding this multistate analysis. During the course of the analysis, MAWG-X undertook a broad-based review and analysis of market conduct examination reports and jurisdiction complaint records, as well as various reports prepared and filed by the UHC Companies. The analysis identified certain areas of concern involving multiple jurisdictions primarily related to the UHC Companies utilization of UNet and Cosmos, two multistate national platforms that provide administrative services, including claims payment services (collectively the "UHC Platform"). The multistate areas of concern identified included claims handling and other insurance administrative practices and the compliance of those practices with the laws of the applicable jurisdictions, some of which are included in findings made by certain Signatory Regulators' market conduct examinations. The Lead Regulators were designated to negotiate a regulatory settlement agreement with the UHC Companies that would include a framework for reviewing the UHC Companies' efforts to address the multistate areas of concern by measuring the UHC Companies' performance against agreed upon standards.

A.30. The UHC Companies acknowledge that certain Signatory Regulator's examination reports identified violations of insurance laws and regulations. The UHC Companies further acknowledge that certain Signatory Regulators incurred administrative costs associated with the multistate analysis. The UHC Companies neither admit nor deny the regulatory findings and desire to enter into this Agreement in order to promote regulatory efficiency, to avoid disruption to insureds, enrollees, and vendors, and are willing and desirous to resolve all multistate areas of concern.

B. The Multistate Areas of Review

B.1. The Lead Regulators have identified certain areas of concern that the UHC Companies have agreed should be subject to review on a collaborative basis for the benefit of the Participating Regulators (the "Multistate Areas of Review"). The Multistate Areas of Review are set forth in Exhibit A to this Agreement which may be amended to include additional areas of review that may arise during the term of this Agreement which shall commence on the Effective Date and shall end on December 31, 2010 (the "Term"). After the Effective Date, a Signatory Regulator may seek to add an additional area of review by bringing it to the attention of the Lead Regulators with supporting documentation. The Lead Regulators, in consultation with and the agreement of the UHC Companies, may add the additional area of review to the Multistate Areas of Review and develop appropriate standards to determine compliance with this Agreement.

B.2. The Signatory Regulators and the UHC Companies intend that this Agreement encompass affiliates of the UHC Companies to the extent that such affiliates market Commercial Insurance, are licensed in a jurisdiction of a Signatory Regulator, and utilize the UHC Platform. The UHC Companies will notify the Lead Regulators when affiliates that market Commercial Insurance in a jurisdiction of a Signatory Regulator are added to the UHC Platform. The notice shall constitute such affiliate's consent to become a party to this Agreement and shall be subject to the approval of the Lead Regulators. From the date of such approval, the affiliate shall be included within the definition of the UHC Companies for purposes of this Agreement. For purposes of this Agreement, the term "Commercial Insurance" means all medical insurance policies and health benefit plans issued by the UHC Companies and administered on the UHC Platform in the Signatory Regulators' respective jurisdictions but does not include Medicare, Medicaid, or any self-funded products or services. Services delegated to and performed by the

UHC Companies' affiliates for Commercial Insurance as third party administrators on behalf of the UHC Companies that are operating on the UHC Platform shall also be included within the scope of this Agreement.

B.3. The UHC Companies agree to pay a monetary assessment in settlement of regulatory findings as described in paragraphs A.28 - A.30 and to reimburse Signatory Regulators for the costs incurred in connection with the multistate analysis. The total amount of the payment shall be determined in accordance with the formula and payable in the manner set forth in Exhibit B to this Agreement within ten (10) business days of the Effective Date of this Agreement.

C. Process Improvement Plan

C.1. The UHC Companies in cooperation with the Lead Regulators have developed a process improvement plan attached as Exhibit C to this Agreement (the "Process Improvement Plan") to address, resolve, and monitor the Multistate Areas of Review. The UHC Companies shall commence implementation of the Process Improvement Plan within sixty (60) days of the Effective Date. The Process Improvement Plan may only be modified or amended pursuant to paragraph D.16.

C.2. Compliance with the Process Improvement Plan will be measured against the standards developed by the Lead Regulators and the UHC Companies as set forth in Exhibit D to this Agreement (the "Benchmarks") and applied on a nationwide basis. The UHC Companies shall achieve compliance with the Benchmarks on or before the expiration of the Term of this Agreement. The UHC Companies shall be deemed to be in compliance with the Benchmarks if the performance of the UHC Companies falls within the tolerances established and set forth in Exhibit D ("Compliance").

C.3. The UHC Companies shall make restitution to its past or present insureds and providers in the ordinary course of business through the reprocessing of identified erroneous claims resulting from installation of provider contracts and fee schedules, eligibility files, and product and case installation, and any other claim processing errors. Additionally, through the implementation of the Process Improvement Plan, where the UHC Companies or Lead Regulators determine that less than appropriate claims payments were made for specific valid claims, the UHC Companies agree to make restitution and make all other appropriate adjustments on such claims, including the payment of interest as required by the laws of the Signatory Regulators, within a reasonable time after making such determination. In the event the UHC Companies or Lead Regulators determine that less than appropriate claim payments were made for valid claims on a systemic basis due to an identifiable error in the UHC Platform (a "System Error") which resulted in a failure by the UHC Companies to be in Compliance with the Benchmarks applicable to claim payment standards, the UHC Companies agree to conduct an internal review and to make restitution and all other appropriate adjustments on such claims, including the payment of interest as required by the applicable laws of the Signatory Regulators, within a reasonable time after making such determination. The period of such review shall be retroactive to the date the System Error first resulted in a failure to properly pay a claim, but in no event shall such a review cover periods more than thirty-six (36) months immediately prior to the Effective Date. To the extent that a Signatory Regulator has made specific findings prior to the Effective Date relating to the Multistate Areas of Review, such findings shall be furnished in writing to the Lead Regulators for submission to the UHC Companies for appropriate remediation, if any, to be incorporated as part of the Process Improvement Plan. Except as otherwise provided by law, enforcement activities by Signatory Regulators related to valid

consumer and provider complaints as provided for in paragraph C.12. shall not be limited by this time period of review or Compliance with the Benchmarks.

C.4. The Lead Regulators, on behalf of and for the benefit of the Participating Regulators, will monitor the UHC Companies' Compliance with this Agreement. The UHC Companies agree to meet with the Lead Regulators at least quarterly to report their progress in implementing the terms of this Agreement including, but not limited to, any restitution paid pursuant to paragraph C.3. At least ten (10) business days prior to each such meeting, the UHC Companies agree to deliver to the Lead Regulators written reports in the format set forth in Exhibit E to this Agreement. During the Term, unless otherwise modified, each report shall be due and delivered to the Lead Regulators within sixty (60) days of the end of a quarter with the first report covering the period of the third quarter of 2007.

C.5. The UHC Companies agree to retain for the Term of this Agreement the services of an independent examiner ("Examiner") for the purpose of assisting the Lead Regulators in monitoring the UHC Companies' Compliance with this Agreement. The Examiner's responsibilities shall include: conduct three (3) annual compliance reviews (the "Annual Compliance Reviews") and prepare written reports of such reviews for the Lead Regulators and the UHC Companies; review UHC Companies' progress in implementing the Process Improvement Plan; assess the accuracy and validity of the UHC Companies' quarterly reports by conducting sampling in accordance with the standards provided in the NAIC's Market Conduct Examiners Handbook; and assess the UHC Companies' Compliance hereunder. Prior to the issuance of any Annual Compliance Review report, the Lead Regulators and the Examiner shall review the findings or determinations with the UHC Companies and give reasonable consideration to any issues raised by the UHC Companies regarding such findings or

determinations. The Examiner shall report to, take direction from, and be available to consult with the Lead Regulators as reasonably required during the Term of this Agreement. The Examiner and a signatory Lead Regulator will attend a meeting of the Audit Committee of the Board of Directors of UnitedHealth Group Incorporated annually to discuss the Annual Compliance Review and the UHC Companies' Compliance with this Agreement.

C.6. The UHC Companies agree that the costs of the Examiner shall be their sole responsibility, but that the selection of the Examiner will be subject to the approval of the Lead Regulators. The UHC Companies shall submit a proposed Examiner to the Lead Regulators for their approval within thirty (30) days of the Effective Date of this Agreement.

C.7. The monitoring of the UHC Companies for compliance with this Agreement constitutes an ongoing investigation by the State of Iowa, as a Lead Regulator, pursuant to Iowa Code § 505.8. To the extent permitted by law, the work papers, recorded information, documents, and copies of work papers, recorded information, and documents produced by, obtained by, or disclosed to the Signatory Regulators shall be given confidential treatment and shall not be subject to subpoena and may not be made public by the Signatory Regulators or to any other person, and shall not be public records subject to disclosure pursuant to other relevant Iowa law.

C.8. Following the completion of each of the first and second Annual Compliance Reviews, if the Lead Regulators, in consultation with other Participating Regulators, determine that the UHC Companies are not in Compliance with the Benchmarks applicable to the time period covered by such review, the UHC Companies agree to pay the applicable monetary assessment set forth in Exhibit D. Any monetary amounts available for payment under this paragraph shall reduce the amount subject to payment pursuant to paragraph C.9.

C.9. Following completion of the third Annual Compliance Review, if the Lead Regulators, in consultation with other Participating Regulators, determine that the UHC Companies are not in Compliance with the applicable Benchmarks, the UHC Companies agree to pay an amount pursuant to the formula set forth in Exhibit D, and shall undertake such other remedial measures as agreed to by the Lead Regulators and the UHC Companies. Any sum the UHC Companies may pay pursuant to this paragraph shall be by individual payments to each of the Signatory Regulators within ten (10) business days after a final written determination of non-Compliance is issued by the Lead Regulators.

C.10. If, at the end of the Term, the Lead Regulators, in consultation with other Participating Regulators, determine that the UHC Companies are in Compliance with the Benchmarks but that there are deficiencies involving compliance with respect to the Multistate Areas of Review in a particular jurisdiction of a Signatory Regulator, the UHC Companies agree to work with that Signatory Regulator to address and resolve the issues, including the development of an individual jurisdiction process improvement plan. In the event that the Signatory Regulator and the UHC Companies cannot resolve such issues, the Signatory Regulator may take other appropriate action within the context of that jurisdiction's laws, including the calling of a targeted market conduct examination the scope of which shall not include periods prior to the Effective Date. In connection with any action taken under this paragraph, a Signatory Regulator shall not impose a monetary penalty in excess of the amount that would have been payable to that Signatory Regulator individually pursuant to paragraph C.9

C.11. With respect to the period of time represented by the Term and for the three (3) calendar years immediately preceding the Effective Date, each of the Signatory Regulators agrees that his or her regulatory agency (i) will not engage in any investigative or examination

activities of the UHC Companies relating to the issues subject to this Agreement, and (ii) will not impose a fine, injunction or any other remedy on any of the UHC Companies for any of the matters that are the subject matter of this Agreement and (iii) may only participate on terms set forth in this Agreement in any assessment or remedy that may be imposed under this Agreement. Notwithstanding the foregoing, any Signatory Regulator may take any and all appropriate action should the UHC Companies violate any provision of the insurance laws and regulations of the several jurisdications outside the scope of the Multistate Areas of Review and not otherwise subject to this Agreement as well as with respect to individual consumer complaints as otherwise provided for herein.

C.12. This Agreement is not intended and may not be construed to limit the authority of a Signatory Regulator's consumer services division, or its equivalent, in investigating and taking appropriate action with regard to a consumer or provider complaint.

C.13 In the event that the Lead Regulators find, after reasonable consultation with the UHC Companies that the UHC Companies have (a) intentionally and materially breached the terms of the Agreement or (b) engaged in business practices constituting an unfair insurance or claim settlement practice under the laws of one or more of the Signatory States, then any penalty or fine imposed as a result of such finding shall not be limited by the assessment provisions of this Agreement.

C.14 The UHC Companies shall retain all their legal rights to challenge any finding or, assessment, or penalty made pursuant to the provisions of paragraph C.13.

D. Other Provisions

D.1. By entering into this Agreement, the Signatory Regulators and the UHC Companies intend to resolve all the concerns addressed by the Multistate Areas of Review, including any alleged violations of laws and regulations, and this Agreement shall be deemed a complete settlement and full and final resolution, and is in lieu of any disciplinary, legal, regulatory or enforcement action(s) that could have been taken by any Signatory Regulator, relating to the concerns addressed by the Multistate Areas of Review and arising out of any alleged violations of any laws, regulations or administrative orders issued or which could have been issued by the Signatory Regulators through the Term (the "Resolution"). This Resolution will not be final until the UHC Companies have implemented the Process Improvement Plan and are found to be in Compliance with this Agreement. In the event that the UHC Companies are in Compliance with some but not all of the Benchmarks, the Resolution will only be final for those Benchmarks for which the UHC Companies are in Compliance. For each Benchmark not achieved by the end of the Term, the UHC Companies shall continue to cooperate with the Lead Regulators to achieve Compliance. In no event shall the UHC Companies be excused from their restitution obligations pursuant to Paragraph C.3. This Resolution shall not apply to any affiliate of the UHC Companies for activities prior to the date that such affiliate becomes a party to this Agreement.

D.2. This Agreement shall be binding on and inure to the benefit of the Signatory Regulators and the UHC Companies and their respective legal representatives, successors and assigns.

D.3. Each of the Signatory Regulators has full and unqualified legal authority to enter into this Agreement and, where such signatory is signing on behalf of a party, to bind that party now and in the future.

D.4. The failure of the Signatory Regulators at any time to require the strict performance by the UHC Companies of any of the terms, provisions or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Signatory Regulators of any breach of any terms, provisions and conditions hereof be construed or deemed a waiver of any succeeding breach of any term, provision or condition thereof.

D.5. When an issue pertaining to this Agreement applies to multiple jurisdictions, the Signatory Regulators and the UHC Companies agree that Iowa law shall apply. When an issue pertaining to this Agreement is specific to an individual jurisdiction, the Signatory Regulators and the UHC Companies agree that the particular substantive law of that jurisdiction shall be utilized for the purpose of interpreting, applying and enforcing any provision of this Agreement in that jurisdiction. In such case(s), the appropriate forum shall be the courts or regulatory agency of that particular jurisdiction, as appropriate. Nothing in this Agreement enlarges, supersedes or preempts the insurance laws and regulations of any of the Signatory Regulators' jurisdictions.

D.6. If the UHC Companies default with respect to any obligation under this Agreement, they shall use commercially reasonable efforts to cure such default as soon as reasonably practicable. If such default is not remedied within ninety (90) business days following personal delivery or delivery by facsimile of a written notice pursuant to paragraph D.25. specifying such default (during which period the Signatory Regulators and the UHC Companies shall make reasonable efforts to amicably resolve any disputes regarding the default), the Signatory Regulator(s) may seek administrative and/or judicial enforcement of this Agreement.

D.7. Nothing herein shall confer any rights upon any persons or entities other than the Signatory Regulators and the UHC Companies.

D.8. Listed definitions are contained in this Agreement unless there is a specific reference to the definition being in an Exhibit or Attachment to an Exhibit to this Agreement.

a. "Agreement" is defined in the preamble paragraph.

b. "Annual Compliance Reviews" is defined in paragraph C.5.

c. "Applicable Consent Order" is defined in paragraph D.11.

d. "Benchmarks" is defined in paragraph C.2.

e. "Commercial Insurance" is defined in paragraph B.2.

f. "Compliance" is defined in paragraph C.2.

g. "Effective Date" is defined in paragraph D.10.

h. "Examiner" is defined in paragraph C.5.

i. "Execution Date" is defined in the preamble paragraph.

j. "Lead Regulators" is defined in the preamble paragraph.

k. "MAWG-X" is defined in paragraph A.28.

l. "Multistate Areas of Review" is defined in paragraph B.1.

m. "NAIC" is defined in paragraph A.28.

n. "Participating Regulators" is defined in the preamble paragraph.

o. "Process Improvement Plan" is defined in paragraph C.1

p. "Resolution" is defined in paragraph D.1.

q. "Signatory Regulators" is defined in the preamble paragraph.

r. "System Error" is defined in paragraph C.3.

s. "Term" is defined in paragraph B.1.

t. "UHC Companies" is defined in the preamble paragraph, as modified in paragraph B.2.

u. "UHC Platform" is defined in paragraph A.29.

D.9. The UHC Companies shall not seek or accept, directly or indirectly, indemnification pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to this Agreement.

D.10. The effectiveness of this Agreement is conditioned upon the following: (i) approval and execution of this Agreement by the UHC Companies and the Lead Regulators and (ii) approval and execution of this Agreement by at least thirty (30) states of the United States and any other jurisdiction and whose combined share exceeds at fifty percent (50%) of the UHC Companies' total Commercial Insurance membership. The date on which the last of these approvals is secured shall be the Effective Date of this Agreement.

D.11. To become a party to this Agreement, an Insurance Director, Commissioner, Superintendent or their designee shall execute a signature page within sixty (60) days from the Execution Date. If a Signatory Regulator finds that, under applicable state law, regulation or procedure, the preparation and execution of a consent order is necessary to carry out the terms of this Agreement, such a consent order (the "Applicable Consent Order") shall be prepared by such Participating Regulator within sixty (60) days following the Execution Date. The Lead Regulators and the UHC Companies may waive the sixty (60) day period for Participating Regulators to execute this Agreement. For purposes of this Agreement, an "Applicable Consent Order" shall be satisfactory to the UHC Companies if it: (i) incorporates by reference and attaches via exhibit a copy of this Agreement, (ii) expressly adopts and agrees to the provisions of this Agreement, and (iii) includes only those other terms that may be legally required in the

jurisdiction of the applicable Participating Regulator. However, nothing in this Agreement shall be construed to require any jurisdiction to execute and deliver an Applicable Consent Order if such jurisdiction elects instead to sign this Agreement.

D.12. Each Signatory Regulator hereby gives express assurance that this Agreement is enforceable by its terms under the applicable laws, regulations and judicial rulings in its respective jurisdiction and, that the Signatory Regulator, on behalf of his/her respective jurisdiction, has the authority to enter into this Agreement and bind that party now and in the future. By execution of this Agreement with the UHC Companies, each Signatory Regulator acknowledges that he/she has reviewed and agrees with the terms and conditions as set forth herein.

D.13. The Signatory Regulators and the UHC Companies may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement.

D.14. This Agreement and/or any Applicable Consent Order or any other order issued by a Signatory Regulator set forth the entire agreement among the parties with respect to its subject matter and supersedes all prior agreements, arrangements or understandings (whether in written or oral form) between the UHC Companies and the Signatory Regulators.

D.15. This Agreement shall remain in effect until the end of the Term. The provisions of paragrahs C.10, C.11., D.1, D.18, and D.27 shall survive the termination of this Agreement.

D.16. This Agreement (or its Exhibits and their Attachments) may be amended by the Lead Regulators and the UHC Companies without the consent of any Participating Regulator, provided that such amendment does not materially alter this Agreement. Any amendment to the terms of this Agreement (or its Exhibits and their Attachments), which would affect the

regulatory authority of any Signatory Regulator(s), shall not become effective without the written consent of such Signatory Regulator(s). All such amendments to this Agreement shall be in writing.

D.17. Nothing in this Agreement or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy or health benefit plan issued or acquired either by the UHC Companies or by the parties to such contract.

D.18. Except in a proceeding to enforce the terms hereof, neither this Agreement nor any related negotiations, statements or court proceedings shall be offered by the UHC Companies or the Signatory Regulators as evidence of or an admission, denial or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to the UHC Companies or any affiliates thereof, or as a waiver by UHC Companies or any affiliates thereof of any applicable defense, including without limitation any applicable statute of limitations or statue of frauds.

D.19. In addition to payments required hereunder, the UHC Companies agree to pay the reasonable expenses incurred by the Lead Regulators and the Participating Regulators for their travel and incidental expenses associated with the negotiation and implementation of the provisions of this Agreement. Such expenses shall be payable to the Lead Regulators within thirty (30) days of the presentation of valid receipts. Moreover, reasonable expenses of the Lead Regulators incurred in monitoring the UHC Companies' compliance with this Agreement, including the expenses of conducting or attending any meetings, presentations, or discussions with the UHC Companies or other Signatory Regulators, shall be the responsibility of the UHC Companies.

D.20. Nothing contained herein shall limit the authority of the Signatory Regulators from dealing with specific instances of consumer complaints, licensing changes, rate and form filings, or conducting other regulatory functions. Such regulatory functions shall not be deemed within the scope of this Agreement.

D.21. This Agreement may be signed in multiple counterparts, each of which shall constitute a duplicate original, but which taken together shall constitute but one and the same instrument.

D.22. Nothing herein shall prevent or otherwise restrict a Signatory Regulator from pursuing regulatory action against the UHC Companies for regulatory issues other than the Multistate Areas of Review.

D.23. In the event that any portion of this Agreement is held invalid under any particular jurisdiction's law as it is relevant to a Signatory Regulator, such invalid portion shall be deemed to be severed only in that jurisdiction and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

D.24. The UHC Companies understand and agree that by entering into this Agreement, the UHC Companies waive any and all rights to notice, hearing and appeal respecting this Agreement under the applicable laws of the jurisdictions represented by the Signatory Regulators.

D.25. All notices permitted or required to be delivered under this Agreement shall be in writing and shall be deemed so delivered by hand, one (1) business day after transmission by facsimile or other electronic system (evidenced by machine generated receipt), five (5) business days after being placed in the hands of a commercial courier service for express delivery, or ten (10) business days after placement in the mails by registered or certified mail, return receipt

requested, postage prepaid and addressed to the following addresses or a party's most current principal address of which the party sending the notice has been notified:

If to the UHC Companies: Forrest Burke, General Counsel
UnitedHealthcare
5901 Lincoln Drive
Edina, Minnesota 55436

Copy to: Nicholas Thompson, Esq.
Mitchell Williams Selig Gates & Woodyard, PLLC
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201

If to the Lead Regulators: [Commissioner; General Counsel]

D.26. The Lead Regulators and the UHC Companies will endeavor to coordinate joint or multi-state public statements and communications by Lead Regulators relating to this Agreement.

D.27. The UHC Companies shall be excused from performance for any period and to the extent that the UHC Companies are prevented from performing any services, in whole or in part, as a result of delays caused by an act of God, civil disturbance, court order, or other cause beyond the UHC Companies reasonable control, including failures or fluctuations in electrical power, light, or telecommunications equipment and such nonperformance shall not be considered for determining the UHC Companies' Compliance with this Agreement. Notwithstanding the above, the UHC Companies agree to establish and maintain commercially reasonable recovery steps, including technical disaster recovery facilities, uninterruptible power supplies for computer equipment and communications and that as a result thereof the UHC Companies will

use commercially reasonable efforts to ensure that the UHC Platform shall be operational within forty eight (48) hours of a performance failure.

UnitedHealthcare Insurance Company (on behalf of itself and the other UHC Companies)

BY:_____

ITS: _____

[DATE]

I, Forrest G. Burke, hereby affirm that I am the General Counsel of the UnitedHealthcare Insurance Company and have the authority to execute this Agreement on behalf of UnitedHealthcare Insurance Company and its Affiliates.

ARKANSAS INSURANCE DEPARTMENT

BY:_____
, Commissioner
[DATE]

CONNECTICUT INSURANCE DEPARTMENT

BY: _____
, Commissioner
[DATE]

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
, Commissioner
[DATE]

IOWA DIVISION OF INSURANCE

BY: _____
, Commissioner
[DATE]

NEW YORK DEPARTMENT OF INSURANCE

BY:_____
, Superintendent
[DATE]

PARTICIPATING REGULATOR ADOPTION

On behalf of [Insert the Jurisdiction and Insurance Regulatory Agency], I, [Insert name of insurance regulatory official executing the Agreement], hereby adopt, agree, and approve this Agreement.

[NAME OF INSURANCE REGULATORY AGENCY

BY:_____
[Name of Regulatory Official], [Title] [DATE]

PARTICIPATING REGULATOR ADOPTION

On behalf of [Insert the Jurisdiction and Insurance Regulatory Agency], I, [Insert name of insurance regulatory official executing the Agreement], hereby adopt, agree, and approve this Agreement except for the Monetary Assessment set forth in Paragraph B.3.

[NAME OF INSURANCE REGULATORY AGENCY

BY:_____
[Name of Regulatory Official], [Title] [DATE]

EXHIBIT A
Multistate Areas of Review

A. **Claims**: The UHC Companies shall ensure that claims are investigated and paid, denied or contested within the required timeframes, that claims-related correspondence is completed within the required timeframes, that claims are paid correctly and interest is paid when required, that payments are made at the correct rate, that providers and covered persons are given an opportunity to provide missing information that is needed to process claims before closing claims, that claim files contain all necessary documentation, that explanatory information provided to insureds, enrollees, and providers is accurate and complete and contains all required information and that claims personnel shall be properly trained in these duties.

B. **Coordination of Benefits:** The UHC Companies shall ensure that the coordination of benefits rules, policies and procedures are consistently followed and to ensure claims are paid correctly under the coordination of benefits rules.

C. **Appeals, Grievances and Complaints**: The UHC Companies shall ensure that provider, insured and enrollee appeals, grievances and complaints are being addressed timely, efficiently, and thoroughly; that proper and accurate explanations and information are provided; that the appeals, grievances, complaints and all related matters are conducted within required timeframes; and that complaint registers are properly maintained.

D. **Explanation of Benefits**: The UHC Companies shall ensure that the information contained in EOBs is accurate and complete.

E. **Contracted Entities**: The UHC Companies shall ensure adequate oversight over vendors, service providers, and other companies that provide insurance-related-services

for the UHC Companies, including but not limited to United Behavioral Health ("UBH"); that contracts with third party administrators, intermediaries, utilization review agents, participating providers, and other service providers and vendors follow the law in their form, substance, and filing requirements; that the financial accounting of related contracted entities is accurate and complete; that such vendors hold all necessary licenses and otherwise comply with all legal requirements; and that contracted entities do not have impermissible conflicts of interest, particularly with respect to entities that adjust and settle claims on behalf of the UHC Companies.

F. **Utilization Review:** The UHC Companies shall ensure that the handling of utilization review determinations are done in accordance with the statutes and regulations.

G. **Operations/Management:** The UHC Companies shall ensure that there is a formal structure to address state regulatory concerns, and that their responses to regulator, provider, insured, and enrollee inquiries, issues, and concerns are complete, accurate and timely.

H. **Provider Network**: The UHC Companies shall maintain accurate, complete and up-to-date list of in-network providers and to ensure that the provider network is adequate. Accurate provider lists shall be made available to subscribers.

EXHIBIT B
Monetary Assessment and Schedule of Payments

A. Definitions - For purposes of this Exhibit, the following definitions shall apply.

1. Monetary Assessment shall be the sums referenced in paragraph B.3 of this Agreement.

2. Per Capita Assessment shall mean $3.30725, an amount determined by dividing $20,00,005.35 by 6,047,322 (representing the Commercial Insurance membership for the UHC Companies as of February 1, 2007 for all jurisdictions).

B. Monetary Assessment.

1. Any Monetary Assessment due to a Signatory Regulator agreeing to participate in the Monetary Assessment as reflected in Paragraph C, Column (4) below, will be determined by multiplying the Per Capita Assessment by the Signatory Regulator's membership as of February 1, 2007, as reflected in Paragraph C, Column (2) below.

2. The Signatory Regulator's applicable membership as of February 1, 2007 will be determined by the UHC Companies and supplied to the Lead Regulators within sixty (60) days of the Effective Date.

C. Table of Signatory Regulators

(1) Jurisdiction	(2) Membership	(3) % of Total	(4) Paragraph B.3 of the Agreement Participation	(5) Character of B.3 Participation
	Total Jurisdictions		(Yes/No)	

(Assessment/Costs)

EXHIBIT C
Process Improvement Plan

FUNCTION/ IMPROVEMENT OPPORTUNITY	DESCRIPTION	ACTION ITEMS
Section I:	**Claims Accuracy and Timeliness**	
A. Claims Timeframes and Interest Management	Management of the interest payment process for claims that are paid outside of regulated guidelines.	• Increased automation of interest calculations on original claims paid outside regulated timeframes. • Claims job aides deployed and enhanced to enable processors to determine interest payments on claims adjustments or repays.
B. Claims lifecycle management	Continued improvements to the overall claims tracking lifecycle.	• Complete a detailed review of the control points throughout the claims payment process. • Identify opportunities to further tighten controls within the beginning and end points.
C. Claims Payment Quality Programs	Conduct claim validation reviews focused on performance, customer-specific, high dollar and audit results to drive continuous quality improvement standards and defect reduction.	• Analyze top defect categories and determine remediation plans specific to root cause of errors. • Execute on remediation plans (including systems enhancements) to bring financial accuracy rating up to targeted levels. • Measure claims accuracy on a DAR metric.
D. Improvements to Overall Claims Processing	• Implement and continue to enhance COMET claims adjudication tool. • Manage post adjudication tool to redirect high risk claims for additional manual review.	• Deploy and enhance sophisticated claims engine rules that further automates claims processing. • Implement a graphic user interface processing tool which provides enhanced processing instructions and

		improves the overall ease to process claims.
E. Contract Loading *Timely and accurate loading reduces downstream claim payment errors*	Quality Programs - Drive remediation, improve quality assurance of contract loading process. Drive standardized process for submission, loading, testing and quality review of network provider contracts.	• Drive process whereby facility and provide schedules are loaded and tested prior to effective date.
F. Retroactively Effective Contracts/Amendments *Implementing controls around submission positively impacts downstream claim issues.*	Management approval process designed to significantly reduce number of retroactively loaded contracts. Enhance controls and policies and procedures to manage retroactive contracting and to proactively adjust claims.	• Streamline physician contract submission process. • Management review/oversight of retroactivity results. • Technology enhancement to route retroactive submissions with claims impact to regional management for approval.
G. Non-standard Contract Provisions *Remediate to standard provisions for faster and more accurate claim adjudication*	Implement process to track, monitor and report adherence to standard contract protocols and resolve non-standard provisions at renewal.	• Performance metrics for each market are reviewed to assess remediation needs.
Section II:	**Coordination of Benefits**	
A. Improvements to the process to improve COB Primacy data and reduce adjustments	COB proactive outreach process – designed to identify all members with other insurance	• Employ claim data file comparison algorithms across Company to identify members that would be likely to have other insurance. • Proactive outreach and verification to membership with real time COB updates to systems.
	COB surveys targeted to improve other insurance information in multi-dependent families.	Surveys sent to multi-dependent families to determine other coverage information.
B. Technology Improvements	Implement CMS data exchange program.	• Manage data exchange program with Medicare to identify Medicare Primacy and automatically upload data into Company systems.

Section III:	**Appeals, Grievances & Complaints**	
A. Alignment of Consumer and Provider Appeals, Grievance and Complaint Handling *Improve quality and timeliness of escalation processes*	• Member and provider appeals processing consolidation into a single organization to ensure consistent processing, eliminate routing delays and improve inventory tracking.	• Creation of a Infrastructure/Policy/Controls (IPC) team responsible for the development and implementation of standard processes consistent with regulatory requirements. • Complete implementation of a single database to process and track complaints. • Improve letter template functionality (Client Letter) and quality review programs.
B. Provider Issue Resolution	Enhanced provider call process designed to increase first call resolution and improve the overall call center experience for providers. Program utilizes one level for initial claim related call with second level handling of complex and escalated issues.	• Roll out schedule by state and capacity • Survey providers for process feedback/improvement
C. Provider Outreach	Provider Complaint Follow-up Program targeted to network providers with high volume complaints and/or issues. Facilitate communication with providers and address both root cause and relationship issues resulting from continued non-resolution.	• Data mining to determine high volume providers by state • Root cause analyses to determine best resolution paths • Outreach to providers to resolve issues. • Tracking and trending of data. • Distill and disseminate to senior management for further remediation.
Section IV:	**Explanation of Benefits**	
A. Development of Statements to Enhance Insured Experience	Quality Reviews - Conduct EOB validation reviews focused on ensuring information contained on the EOB is complete and accurate and meet state requirements.	• Review findings with management and develop remediation plans. • Monitor and test remediation plans.
	Health Statements - Develop an all inclusive monthly statement to compliment the information that	• Simplify communications to members by summarizing

	members currently receive.	account balances, deductibles, copays, and all processed claims for the period. • Provides health care consumer alerts and affordability tips.
Section V:	**Contracted Entities**	
A. Oversight of Contract Entities	• Consolidation of recovery vendors	• Continued monitoring and assessment of recovery vendors – numbers and performance.
	• Enhanced review of material delegates to determine additional oversight opportunities	• Complete a review of delegated oversight activities performed by the business. • Develop remediation plans for identified improvement opportunities. • Redesign workflows and procedures for filings.
Section VI:	**Utilization Review**	
A. Utilization Review Determination Processing *Ensure the handling of utilization review determinations is done in accordance with the law*	Ongoing process to review, update and document state specific utilization review related compliance requirements. Manual letter review update to ensure letter content compliance. Monitoring to identify and remediate operational defects including upstream operational issues that may impact overall compliance.	Review of current P&Ps to ensure compliance with state requirements. Conduct ongoing monitoring activities with feedback to impacted operational areas, including: • Performance of periodic random quality assessments to determine accuracy, letter quality, timeliness and compliance with regulatory requirements. • Focused reviews of state specific compliance issues, regulatory CAP requirements and known defect areas. • Review upstream operational issues to ensure that all claims requiring clinical review

		are directed to the appropriate clinical areas on a timely basis. • Deliver ongoing training and education
Section VII:	**Operations/Management**	
A. Oversight Process and Scorecards *Promotes greater coordination and resolution across business units* *Further empowers local management to assess and address operational performance*	Oversight Process - process to manage all operational and system issues contributing to member, provider and DOI/regulatory service experience. Process includes meetings with local management to review state and national service trends and local health plan issues as well as meetings with a national committee that includes executives from key operational units focused on providing updates on critical operational improvements and initiatives, creating feedback loops and providing a mechanism and resources for root cause analysis.	• Establish oversight committee process. • Conduct regular meetings to review and address data, local management identified issues, and assess status of remediation on previously identified issues. Recommend improvements, make assignments and establish due dates for completion.
	Scorecards –state-specific scorecards to capture key operational data, including data on provider networks, claims processing, call service and complaint handling. Reviewed by local and corporate management, regulatory affairs, compliance, and national committee to assess performance against statutory requirements, internal goals and to identify and resolve root cause and organizational performance issues.	• Develop state-specific scorecards. • Develop template for reporting results of service improvements to regulators for relevant markets.
B. New Regulatory Affairs and National Compliance	Create new Regulatory Affairs and National Compliance organizations to better support	• Integrate Regulatory Affairs teams across all commercial businesses.

Organizations *Make UnitedHealthcare smaller, simpler to understand and easier to navigate*	and enhance our regulatory relationships, make it easier to navigate between internal business units and advance our efforts to improve healthcare affordability, accessibility, quality and simplicity.	• Deploy state by state regulatory account management structure. • Establish specific Regulatory Affairs and Governmental Affairs plans on a state by state basis. • Ensure that regulators are timely informed on affordability and health care transformation initiatives.
Section VIII:	**Provider Network**	
A. Provider Directories *Provide uniform and accurate provider listings to members across all markets, all products*	Improved Data Integrity - implement a relational database improving data integrity by automatically updating linked provider records. Created Provider Data Integrity Team to address provider data quality issues. Manual cleanup and ongoing quality review developed. Assessing additional system enhancement needed to address information gaps and bring all data into a single point of ingress/egress.	• Established delegated provider process to get full roster updates once per year plus. monthly / quarterly updates. • For non-delegated providers established outreach phone calls and follow up activities for updated information.

EXHIBIT D
Benchmarks

A. Definitions - For purposes of this Exhibit, the following definitions shall apply.

1. "Claims Accuracy" shall mean the measure as defined and reported in Attachment I, Section A.9., to this Exhibit.
2. "Claim Timeliness" shall mean the measure as defined in and reported pursuant to Attachment I. Section B.2., to this Exhibit.
3. "Appeals: Non-clinical" shall mean the measure as defined in and reported pursuant to Attachment I. Section F.5., to this Exhibit.
4. "Appeals: Clinical" shall mean the measure as defined in and reported pursuant to Attachment I. Section G.5., to this Exhibit.
5. "DOI Complaints" shall mean the measure as defined in and reported pursuant to Attachment I. Section H.7., to this Exhibit.
6. "Total Performance Assessment" shall mean the Per Capita Assessment, as set forth in Exhibit B, paragraph A.2, multiplied by the total Signatory Regulator membership as set forth in Table C, Column (2), of Exhibit B.

B. Performance Assessments.

1. For the calendar year 2008, the UHC Companies and the Signatory Regulators agree:
   a. In the event that the UHC Companies fail to meet the 2008 tolerance standard for Claim Accuracy of 96%, the UHC Companies shall pay

to the Signatory Regulators the total sum equal to 5% of the Total Performance Assessment.

b. In the event that the UHC Companies fail to meet the 2008 tolerance standard for Claim Timeliness of 94%, the UHC Companies shall pay to the Signatory Regulators the total sum equal to 5% of the Total Performance Assessment.

c. In the event that the UHC Companies fail to meet the 2008 tolerance standard for Appeals: Non-clinical of 93%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 4% of the Total Performance Assessment.

d. In the event that the UHC Companies fail to meet the 2008 tolerance standard for Appeals: Clinical of 97%, the UHC Companies shall pay to the Signatory Regulators the total sum equal to 4% of the Total Performance Assessment.

e. In the event that the UHC Companies fail to meet the 2008 tolerance standard for DOI Complaints of 35%, the UHC Companies shall pay to the Signatory Regulators the total sum equal to 2% of the Total Performance Assessment.

2. For the calendar year 2009, the UHC Companies and the Signatory Regulators agree:

a. In the event that the UHC Companies fail to meet the 2009 tolerance standard for Claim Accuracy of 97%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 7.5% of the Total Performance Assessment.

b. In the event that the UHC Companies fail to meet the 2009 tolerance standards for Claim Timeliness of 95%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 7.5% of the Total Performance Assessment.

c. In the event that the UHC Companies fail to meet the 2009 tolerance standard for Appeals; Non-clinical of 94%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 6% of the Total Performance Assessment.

d. In the event that the UHC Companies fail to meet the 2009 tolerance standard for Appeals: Clinical of 97%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 6% of the Total Performance Assessment.

e. In the event that the UHC Companies fail to meet the 2009 tolerance standard for DOI Complaints of 34%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 3% of the Total Performance Assessment.

3. For the calendar year 2010, the UHC Companies and the Signatory Regulators agree:

   a. In the event that the UHC Companies fail to meet the 2010 tolerance standard for Claim Accuracy of 97%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 12.5% of the Total Performance Assessment.

   b. In the event that the UHC Companies fail to meet the 2010 tolerance standard for Claim Timeliness of 96%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 12.5% of the Total Performance Assessment.

   c. In the event that the UHC Companies fail to meet the 2010 tolerance standard for Appeals: Non-clinical of 95%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 10% of the Total Performance Assessment.

   d. In the event that the UHC Companies fail to meet the 2010 tolerance standard for Appeals: Clinical of 97%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 10% of the Total Performance Assessment.

   e. In the event that the UHC Companies fail to meet the 2010 tolerance standard for DOI Complaints of 33%, the UHC Companies shall pay the Signatory Regulators the total sum equal to 5% of the Total Performance Assessment.

C. Other Provisions.

1. In determining the UHC Companies' performance with respect to any of the tolerance standards set forth in Paragraph B. above or C. 2. below, the result will be determined by totaling the UHC Companies' results for the four quarters for the relevant calendar year divided by four. For purposes of assessing the Companies' performance with respect to any of the Claim Accuracy, UHC Claim Timeliness, Appeals: Non-clinical, and Appeals: Clinical tolerance standards all results will be rounded up to the next tenth percentile, and with respect to the DOI Complaints standard, rounded down to the next tenth percentile.
2. Any assessment due under any provision set forth in Paragraph B., above, shall be paid in the manner and timeframe as set forth in Paragraph C.9. of this Agreement. Any payment due a Signatory Regulator hereunder will be determined by multiplying the applicable payment payable hereunder by the applicable Signatory Regulators' membership percentage, as set forth in Exhibit B., paragraph C, Column (3).
3. For purposes of determining whether there is a deficiency involving Compliance hereunder with respect to any jurisdiction of a Signatory Regulator under paragraph C.10 of this Agreement, the annual tolerance standards shall be as set forth hereinafter:

a. The tolerance standard for Claim Accuracy shall be 95%;

b. The tolerance standard for Claim Timeliness shall be 94%;

c. The tolerance standard for Appeals; Non-clinical shall be 90%;

d. The tolerance standard for Appeals: Clinical shall be 97%; and

e. The tolerance standard for DOI Complaints shall be 37%.

In no event will a deficiency be found under paragraph C.10 of this Agreement, unless the data reviewed for the particular benchmark constituted a statistically significant sampling with respect to all periods under review.

EXHIBIT E
Required Reports and Monitoring

1. Reports

The UHC Companies shall provide quarterly (unless subsequently modified) reports to the Lead Regulators as follows:

a. National and jurisdiction specific internal complaints data from insureds, enrollees, providers, and Regulators by complaint category, consistent with NAIC data base coding.

b. National and jurisdiction specific claims processing timeliness as defined in the Benchmarks

c. National and jurisdiction specific claims processing accuracy rates as defined in the Benchmarks.

d. National and jurisdiction specific data relating to reviews relating to compliance with coordination of benefits rules.

e. National and jurisdiction specific data relating to appeals, grievances and complaints.

f. Jurisdiction specific data relating to reviews relating to the accuracy and completeness of explanations of benefits.

g. Reviews of arrangements with and the activities of third party vendors, service providers, and other companies providing insurance-related services for the UHC Companies.

h. National and jurisdiction specific data relating to reviews of utilization determinations for compliance with applicable law.

i. National and jurisdiction specific data relating to reviews relating to the accuracy of information provided regarding in-network providers.

j. Written reports of the Annual Compliance Reviews.

k. Progress reports on the addition of affiliates of the UHC Companies to the UHC Platform as they occur.

l. Progress reports describing specific operational or procedureal changes implemented under the process improvement plan and their actual / expected impact on areas of concern.

m. National and jurisdiction specific revisions or adjustments to the Process Improvement Plan and impacted Multistate Areas of Review as they occur.

n. National and jurisdiction specific data relating to restitution efforts made during the Term. This includes number of claims and dollar impact of claims reprocessed and paid under items a. – i., above (details for each item).

2. Certification

All reports containing national data shall be certified by an officer of the UHC Companies and all reports containing jurisdiction specific data shall be certified by an officer of the UHC Company submitting an Annual Statement to that jurisdiction.

3. Meetings

a. The UHC Companies shall establish a group of officers with a lead contact and alternate to interact with the Lead Regulators on issues and questions that arise.

b. The UHC Companies shall meet with the Lead Regulators at least quarterly during the first year and at least semi-annually for two (2) additional years to discuss progress and results.

PARTICIPATING REGULATOR ADOPTION

On behalf of the Idaho Department of Insurance, I, William W. Deal, hereby adopt, agree, and approve this Agreement.

Dated this 7th day of ~~July~~ August 2007.

Idaho Department of Insurance

By: _____
William W. Deal, Director

EXHIBIT B (to Consent Order)