



**HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2006
OF THE CONDITION AND AFFAIRS OF THE**

UnitedHealthcare of New England, Inc.

NAIC Group Code 0707 0707 NAIC Company Code 95149 Employer's ID Number 05-0413469
(Current Period) (Prior Period)

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry Rhode Island

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
Vision Service Corporation [] Other [] Health Maintenance Organization [X]
Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 11/14/1984 Commenced Business 12/27/1984

Statutory Home Office 475 Kilvert Street, Suite 310, Warwick, RI 02886-1392
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 48 Monroe Turnpike
(Street and Number) 203-459-6000
Trumbull, CT 06611 (Area Code) (Telephone Number)
(City or Town, State and Zip Code)

Mail Address 48 Monroe Turnpike, Trumbull, CT 06611
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 48 Monroe Turnpike
(Street and Number) 860-702-8011
Trumbull, CT 06611 (Area Code) (Telephone Number)
(City or Town, State and Zip Code)

Internet Website Address www.unitedhealthcare.com

Statutory Statement Contact Kevin Michael Ericson 860-702-8011
(Name) (Area Code) (Telephone Number) (Extension)
kericson@oxhp.com 203-452-4690
(E-mail Address) (FAX Number)

Policyowner Relations Contact 475 Kilvert Street, Suite 310
(Street and Number) 401-737-6900
Warwick, RI 02886-1392 (Area Code) (Telephone Number) (Extension)
(City or Town, State and Zip Code)

OFFICERS

| Name | Title | Name | Title |
|----------------------------|--|-------------------------------------|----------------------------|
| <u>Stephen John Farell</u> | <u>President and Chief Financial Officer</u> | <u>Juanita Valarae Bolland Luis</u> | <u>Assistant Secretary</u> |
| <u>Donald Alan Powers</u> | <u>VP-Finance and Assistant Treasurer</u> | | |

OTHER OFFICERS

| | | | |
|------------------------------|---|--------------------------------|----------------------------|
| <u>David Scott Wichmann</u> | <u>Vice President and Assistant Treasurer</u> | <u>Robert Worth Oberrender</u> | <u>Treasurer</u> |
| <u>Forrest Gregory Burke</u> | <u>Secretary</u> | <u>Timothy Gilbert Caron</u> | <u>Assistant Secretary</u> |
| <u>Mary Lynn Stanislav</u> | <u>Assistant Secretary</u> | | |

DIRECTORS OR TRUSTEES

| | | |
|---------------------------|-------------------------------|----------------------------|
| <u>Robert John Sheehy</u> | <u>Michael Anthony Turpin</u> | <u>Stephen John Farell</u> |
|---------------------------|-------------------------------|----------------------------|

State ofRhode Island.....

ss

County ofKent.....

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Stephen John Farell
President and Chief Financial Officer

Juanita Valarae Bolland Luis
Assistant Secretary

Donald Alan Powers
VP-Finance and Assistant Treasurer

Subscribed and sworn to before me this
12 day of February, 2007

a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Claudette Levesque
Notary
May, 14, 2007

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|-------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D)..... | 87,718,517 | | 87,718,517 | 83,573,255 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 0 | | 0 | 0 |
| 2.2 Common stocks | 23,443,101 | | 23,443,101 | 67,913,597 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances)..... | | | 0 | 0 |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | | | 0 | 0 |
| 5. Cash (\$ (5,252,956) , Schedule E, Part 1), cash equivalents (\$ 0 , Schedule E, Part 2) and short-term investments (\$ 46,952,586 , Schedule DA)..... | 41,699,630 | | 41,699,630 | (3,795,271) |
| 6. Contract loans, (including \$ premium notes) | | | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 | 0 |
| 8. Receivables for securities | | | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 152,861,248 | 0 | 152,861,248 | 147,691,581 |
| 11. Title plants less \$ charged off (for Title Insurers only) | | | 0 | 0 |
| 12. Investment income due and accrued | 1,072,074 | | 1,072,074 | 1,085,826 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 2,245,201 | 164,794 | 2,080,407 | 1,940,662 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium)..... | | | 0 | 0 |
| 13.3 Accrued retrospective premium..... | | | 0 | 0 |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | 9,587,746 | | 9,587,746 | 10,485,261 |
| 14.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | 1,797,275 | | 1,797,275 | 2,399,200 |
| 15. Amounts receivable relating to uninsured plans | | | 0 | 0 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | 2,193,866 | | 2,193,866 | 471,155 |
| 16.2 Net deferred tax asset..... | 2,057,224 | | 2,057,224 | 1,706,563 |
| 17. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 18. Electronic data processing equipment and software | | | 0 | 0 |
| 19. Furniture and equipment, including health care delivery assets (\$) | | | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | | | 0 | 0 |
| 22. Health care (\$ 1,337,144) and other amounts receivable..... | 1,337,144 | 1,337,144 | 0 | 0 |
| 23. Aggregate write-ins for other than invested assets | 218 | 218 | 0 | 0 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)..... | 173,151,996 | 1,502,156 | 171,649,840 | 165,780,248 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | 0 |
| 26. Total (Lines 24 and 25) | 173,151,996 | 1,502,156 | 171,649,840 | 165,780,248 |
| DETAILS OF WRITE-INS | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | 0 | 0 | 0 | 0 |
| 2301. Prepaids..... | 218 | 218 | 0 | 0 |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | 218 | 218 | 0 | 0 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|-------------|-------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$11,835,537 reinsurance ceded) | 39,746,389 | | 39,746,389 | 42,637,736 |
| 2. Accrued medical incentive pool and bonus amounts | 388,604 | | 388,604 | 378,728 |
| 3. Unpaid claims adjustment expenses | 888,062 | | 888,062 | 0 |
| 4. Aggregate health policy reserves | 2,824,952 | | 2,824,952 | 352,571 |
| 5. Aggregate life policy reserves | | | 0 | 0 |
| 6. Property/casualty unearned premium reserves | | | 0 | 0 |
| 7. Aggregate health claim reserves | 1,598,303 | | 1,598,303 | 1,595,294 |
| 8. Premiums received in advance | 9,671,549 | | 9,671,549 | 9,441,500 |
| 9. General expenses due or accrued | 1,610,874 | | 1,610,874 | 4,504,161 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) | | | 0 | 0 |
| 10.2 Net deferred tax liability | | | 0 | 0 |
| 11. Ceded reinsurance premiums payable | 12,117,012 | | 12,117,012 | 14,107,264 |
| 12. Amounts withheld or retained for the account of others | 11,236 | | 11,236 | 101,964 |
| 13. Remittance and items not allocated | | | 0 | 0 |
| 14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) | | | 0 | 0 |
| 15. Amounts due to parent, subsidiaries and affiliates | 5,453,440 | | 5,453,440 | 1,474,923 |
| 16. Payable for securities | | | 0 | 0 |
| 17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers) | | | 0 | 0 |
| 18. Reinsurance in unauthorized companies | | | 0 | 0 |
| 19. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 20. Liability for amounts held under uninsured plans | 7,126,763 | | 7,126,763 | 0 |
| 21. Aggregate write-ins for other liabilities (including \$ current) | 0 | 0 | 0 | 0 |
| 22. Total liabilities (Lines 1 to 21) | 81,437,184 | 0 | 81,437,184 | 74,594,141 |
| 23. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 24. Common capital stock | XXX | XXX | 5,862,835 | 5,862,835 |
| 25. Preferred capital stock | XXX | XXX | | 0 |
| 26. Gross paid in and contributed surplus | XXX | XXX | 12,000,000 | 12,000,000 |
| 27. Surplus notes | XXX | XXX | | 0 |
| 28. Aggregate write-ins for other than special surplus funds | XXX | XXX | 0 | 0 |
| 29. Unassigned funds (surplus) | XXX | XXX | 72,349,821 | 73,323,272 |
| 30. Less treasury stock, at cost: | | | | |
| 30.1 shares common (value included in Line 24 \$) | XXX | XXX | | 0 |
| 30.2 shares preferred (value included in Line 25 \$) | XXX | XXX | | 0 |
| 31. Total capital and surplus (Lines 23 to 29 minus Line 30) | XXX | XXX | 90,212,656 | 91,186,107 |
| 32. Total liabilities, capital and surplus (Lines 22 and 31) | XXX | XXX | 171,649,840 | 165,780,248 |
| DETAILS OF WRITE-INS | | | | |
| 2101. | | | | |
| 2102. | | | | |
| 2103. | | | | |
| 2198. Summary of remaining write-ins for Line 21 from overflow page | 0 | 0 | 0 | 0 |
| 2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above) | 0 | 0 | 0 | 0 |
| 2301. | XXX | XXX | | |
| 2302. | XXX | XXX | | |
| 2303. | XXX | XXX | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | XXX | XXX | 0 | 0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | XXX | XXX | 0 | 0 |
| 2801. | XXX | XXX | | |
| 2802. | XXX | XXX | | |
| 2803. | XXX | XXX | | |
| 2898. Summary of remaining write-ins for Line 28 from overflow page | XXX | XXX | 0 | 0 |
| 2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above) | XXX | XXX | 0 | 0 |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|-------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months..... | XXX | 1,427,896 | 1,631,149 |
| 2. Net premium income (including \$0 non-health premium income)..... | XXX | 364,791,435 | 344,919,147 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | (2,262,602) | 111,025 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | | 0 |
| 5. Risk revenue | XXX | | 0 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 362,528,833 | 345,030,172 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | 354,082,257 | 377,013,363 |
| 10. Other professional services | | 425,429 | 182,558 |
| 11. Outside referrals | | | 0 |
| 12. Emergency room and out-of-area | | | 0 |
| 13. Prescription drugs | | 53,113,864 | 33,481,465 |
| 14. Aggregate write-ins for other hospital and medical..... | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts..... | | 431,903 | 412,164 |
| 16. Subtotal (Lines 9 to 15) | 0 | 408,053,453 | 411,089,550 |
| Less: | | | |
| 17. Net reinsurance recoveries | | 113,192,985 | 132,974,329 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 294,860,468 | 278,115,221 |
| 19. Non-health claims (net)..... | | | 0 |
| 20. Claims adjustment expenses, including \$1,324,902 cost containment expenses..... | | 9,386,512 | 6,661,560 |
| 21. General administrative expenses..... | | 41,643,263 | 42,276,739 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)..... | | 210,350 | 20,800 |
| 23. Total underwriting deductions (Lines 18 through 22) | 0 | 346,100,593 | 327,074,320 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 16,428,240 | 17,955,852 |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | | 7,986,169 | 6,128,736 |
| 26. Net realized capital gains (losses) less capital gains tax of \$ | | (80,701) | (152,525) |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 7,905,468 | 5,976,211 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)] | | | 0 |
| 29. Aggregate write-ins for other income or expenses | 0 | 0 | 398,848 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)..... | XXX | 24,333,708 | 24,330,911 |
| 31. Federal and foreign income taxes incurred | XXX | 7,524,479 | 7,253,000 |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 16,809,229 | 17,077,911 |
| DETAILS OF WRITE-INS | | | |
| 0601. | XXX | | |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | 0 | 0 |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 |
| 2901. Other Revenue..... | | | 412,848 |
| 2902. Fines and Penalties..... | | | (14,000) |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 0 | 398,848 |

STATEMENT OF REVENUE AND EXPENSES (continued)

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT: | | |
| 33. Capital and surplus prior-reporting period | 91,186,107 | 87,915,618 |
| 34. Net income or (loss) from Line 32 | 16,809,229 | 17,077,911 |
| 35. Change in valuation basis of aggregate policy and claim reserves | | 0 |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ | | 0 |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | 0 |
| 38. Change in net deferred income tax | 350,662 | (749,847) |
| 39. Change in nonadmitted assets | (1,033,342) | 378,557 |
| 40. Change in unauthorized reinsurance | 0 | 0 |
| 41. Change in treasury stock | 0 | 0 |
| 42. Change in surplus notes | 0 | 0 |
| 43. Cumulative effect of changes in accounting principles | | 0 |
| 44. Capital Changes: | | |
| 44.1 Paid in | 0 | 0 |
| 44.2 Transferred from surplus (Stock Dividend) | | 0 |
| 44.3 Transferred to surplus | | 0 |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | 0 | 0 |
| 45.2 Transferred to capital (Stock Dividend) | 0 | 0 |
| 45.3 Transferred from capital | | 0 |
| 46. Dividends to stockholders | (17,100,000) | (13,436,132) |
| 47. Aggregate write-ins for gains or (losses) in surplus | 0 | 0 |
| 48. Net change in capital & surplus (Lines 34 to 47) | (973,451) | 3,270,489 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 90,212,656 | 91,186,107 |
| DETAILS OF WRITE-INS | | |
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above) | 0 | 0 |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year Ended December 31 |
|--|------------------------------|--------------------------------------|
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance..... | 360,463,520 | 332,313,714 |
| 2. Net investment income..... | 8,348,185 | 6,646,294 |
| 3. Miscellaneous income..... | 0 | 0 |
| 4. Total (Lines 1 through 3)..... | 368,811,705 | 338,960,008 |
| 5. Benefits and loss related payments..... | 294,567,312 | 275,847,172 |
| 6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | 46,193,107 | 44,424,024 |
| 8. Dividends paid to policyholders..... | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses) | 9,247,189 | 7,859,706 |
| 10. Total (Lines 5 through 9)..... | 350,007,608 | 328,130,902 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | 18,804,097 | 10,829,106 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds..... | 19,832,523 | 18,263,076 |
| 12.2 Stocks..... | 335,099,314 | 210,349,936 |
| 12.3 Mortgage loans..... | 0 | 0 |
| 12.4 Real estate..... | 0 | 0 |
| 12.5 Other invested assets..... | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments..... | 0 | 0 |
| 12.7 Miscellaneous proceeds..... | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 354,931,837 | 228,613,012 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds..... | 24,406,751 | 26,033,340 |
| 13.2 Stocks..... | 290,628,817 | 207,710,088 |
| 13.3 Mortgage loans..... | 0 | 0 |
| 13.4 Real estate..... | 0 | 0 |
| 13.5 Other invested assets..... | 0 | 0 |
| 13.6 Miscellaneous applications..... | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)..... | 315,035,568 | 233,743,428 |
| 14. Net increase (or decrease) in contract loans and premium notes..... | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)..... | 39,896,269 | (5,130,416) |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes..... | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 0 | 0 |
| 16.3 Borrowed funds..... | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities..... | 0 | 0 |
| 16.5 Dividends to stockholders..... | 17,100,000 | 13,436,132 |
| 16.6 Other cash provided (applied)..... | 3,894,535 | 1,742,989 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)..... | (13,205,465) | (11,693,143) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | 45,494,901 | (5,994,453) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year..... | (3,795,271) | 2,199,182 |
| 19.2 End of year (Line 18 plus Line 19.1)..... | 41,699,630 | (3,795,271) |

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|-------------|---|------------------------|----------------|----------------|--|----------------------------|--------------------------|-----------|----------------------|-------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-term Care | Other Health | Other Non-Health |
| 1. Net premium income | 364,791,435 | 99,857,443 | 0 | 0 | 0 | 0 | 175,578,158 | 89,355,834 | 0 | 0 | 0 | 0 | 0 |
| 2. Change in unearned premium reserves and reserve for rate credit | (2,262,602) | (2,262,602) | | | | | | | | | | | |
| 3. Fee-for-service (net of \$ medical expenses) | 0 | | | | | | | | | | | | XXX |
| 4. Risk revenue | 0 | | | | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 362,528,833 | 97,594,841 | 0 | 0 | 0 | 0 | 175,578,158 | 89,355,834 | 0 | 0 | 0 | 0 | 0 |
| 8. Hospital/medical/ benefits | 354,082,257 | 159,673,375 | | | | | 131,789,959 | 62,618,923 | | | | | XXX |
| 9. Other professional services | 425,429 | 261,853 | | | | | 141,076 | 22,500 | | | | | XXX |
| 10. Outside referrals | 0 | | | | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 0 | | | | | | | | | | | | XXX |
| 12. Prescription Drugs | 53,113,864 | 27,895,711 | | | | | 12,609,619 | 12,608,534 | | | | | XXX |
| 13. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | 431,903 | | | | | | | 431,903 | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 408,053,453 | 187,830,939 | 0 | 0 | 0 | 0 | 144,540,654 | 75,681,860 | 0 | 0 | 0 | 0 | XXX |
| 16. Net reinsurance recoveries | 113,192,985 | 112,816,267 | | | | | | 376,718 | | | | | XXX |
| 17. Total hospital and medical (Lines 15 minus 16) | 294,860,468 | 75,014,672 | 0 | 0 | 0 | 0 | 144,540,654 | 75,305,142 | 0 | 0 | 0 | 0 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 19. Claims adjustment expenses including \$ 1,324,902 cost containment expenses | 9,386,512 | 5,288,586 | | | | | 2,694,391 | 1,403,535 | | | | | |
| 20. General administrative expenses | 41,643,263 | 12,473,004 | | | | | 19,159,048 | 10,011,211 | | | | | |
| 21. Increase in reserves for accident and health contracts | 210,350 | 210,350 | | | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 346,100,593 | 92,986,612 | 0 | 0 | 0 | 0 | 166,394,093 | 86,719,888 | 0 | 0 | 0 | 0 | 0 |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 16,428,240 | 4,608,229 | 0 | 0 | 0 | 0 | 9,184,065 | 2,635,946 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | | |
| 0501. | | | | | | | | | | | | | XXX |
| 0502. | | | | | | | | | | | | | XXX |
| 0503. | | | | | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 1301. | | | | | | | | | | | | | XXX |
| 1302. | | | | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

| Line of Business | 1 Direct Business | 2 Reinsurance Assumed | 3 Reinsurance Ceded | 4 Net Premium Income (Cols. 1+2-3) |
|---|-------------------------|-----------------------------|---------------------------|---|
| 1. Comprehensive (hospital and medical) | 251,326,900 | | 151,469,457 | 99,857,443 |
| 2. Medicare Supplement | | | | .0 |
| 3. Dental Only..... | | | | .0 |
| 4. Vision Only..... | | | | .0 |
| 5. Federal Employees Health Benefits Plan | | | | .0 |
| 6. Title XVIII - Medicare | 175,751,652 | | 173,494 | 175,578,158 |
| 7. Title XIX - Medicaid..... | 89,723,020 | | 367,186 | 89,355,834 |
| 8. Stop Loss | | | | .0 |
| 9. Disability Income | | | | .0 |
| 10. Long-term care | | | | .0 |
| 11. Other health..... | | | | .0 |
| 12. Health subtotal (Lines 1 through 11) | 516,801,572 | .0 | 152,010,137 | 364,791,435 |
| 13. Life | | | | .0 |
| 14. Property/Casualty..... | | | | .0 |
| 15. Totals (Lines 12 to 14) | 516,801,572 | 0 | 152,010,137 | 364,791,435 |

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|--|-------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|--------------|----------------------|-------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | | | | |
| 1.1 Direct | 415,991,202 | 195,502,620 | | | | | 143,351,905 | 77,136,677 | | | | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | | | | |
| 1.3 Reinsurance ceded | 118,702,002 | 118,325,284 | | | | | | 376,718 | | | | | |
| 1.4 Net | 297,289,200 | 77,177,336 | 0 | 0 | 0 | 0 | 143,351,905 | 76,759,959 | 0 | 0 | 0 | 0 | 0 |
| 2. Paid medical incentive pools and bonuses | 422,027 | | | | | | | 422,027 | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | | | | |
| 3.1 Direct | 51,581,927 | 19,758,334 | 0 | 0 | 0 | 0 | 21,954,266 | 9,869,327 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 11,835,538 | 11,835,538 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4 Net | 39,746,389 | 7,922,796 | 0 | 0 | 0 | 0 | 21,954,266 | 9,869,327 | 0 | 0 | 0 | 0 | 0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | | | | |
| 4.1 Direct | 2,208,094 | 1,016,320 | | | | | 819,807 | 371,967 | | | | | |
| 4.2 Reinsurance assumed | 0 | | | | | | | | | | | | |
| 4.3 Reinsurance ceded | 609,792 | 609,792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 1,598,302 | 406,528 | 0 | 0 | 0 | 0 | 819,807 | 371,967 | 0 | 0 | 0 | 0 | 0 |
| 5. Accrued medical incentive pools and bonuses, current year | 388,604 | | | | | | | 388,604 | | | | | |
| 6. Net healthcare receivables (a) | (876,560) | 197,320 | | | | | (1,267,700) | 193,820 | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | 9,587,746 | 9,587,746 | | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | | | | |
| 8.1 Direct | 58,897,619 | 27,340,808 | 0 | 0 | 0 | 0 | 19,603,899 | 11,952,912 | 0 | 0 | 0 | 0 | 0 |
| 8.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.3 Reinsurance ceded | 16,266,631 | 16,266,631 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.4 Net | 42,630,988 | 11,074,177 | 0 | 0 | 0 | 0 | 19,603,899 | 11,952,912 | 0 | 0 | 0 | 0 | 0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | | | | |
| 9.1 Direct | 2,385,494 | 1,317,002 | 0 | 0 | 0 | 0 | 699,568 | 368,924 | 0 | 0 | 0 | 0 | 0 |
| 9.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Reinsurance ceded | 790,201 | 790,201 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.4 Net | 1,595,293 | 526,801 | 0 | 0 | 0 | 0 | 699,568 | 368,924 | 0 | 0 | 0 | 0 | 0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 378,728 | 0 | 0 | 0 | 0 | 0 | 0 | 378,728 | 0 | 0 | 0 | 0 | 0 |
| 11. Amounts recoverable from reinsurers December 31, prior year | 10,485,261 | 10,485,261 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Incurred Benefits: | | | | | | | | | | | | | |
| 12.1 Direct | 407,621,550 | 187,816,784 | 0 | 0 | 0 | 0 | 144,554,811 | 75,249,955 | 0 | 0 | 0 | 0 | 0 |
| 12.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.3 Reinsurance ceded | 113,192,985 | 112,816,267 | 0 | 0 | 0 | 0 | 0 | 376,718 | 0 | 0 | 0 | 0 | 0 |
| 12.4 Net | 294,428,565 | 75,000,517 | 0 | 0 | 0 | 0 | 144,554,811 | 74,873,237 | 0 | 0 | 0 | 0 | 0 |
| 13. Incurred medical incentive pools and bonuses | 431,903 | 0 | 0 | 0 | 0 | 0 | 0 | 431,903 | 0 | 0 | 0 | 0 | 0 |

(a) Excludes \$ loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|------------|--|------------------------|----------------|----------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan Premium | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | | | | |
| 1.1. Direct | 21,663,059 | 8,457,220 | | | | | 10,157,866 | 3,047,973 | | | | | |
| 1.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 1.3. Reinsurance ceded | 5,066,002 | 5,066,002 | | | | | | | | | | | |
| 1.4. Net | 16,597,057 | 3,391,218 | 0 | 0 | 0 | 0 | 10,157,866 | 3,047,973 | 0 | 0 | 0 | 0 | 0 |
| 2. Incurred but Unreported: | | | | | | | | | | | | | |
| 2.1. Direct | 29,918,868 | 11,301,114 | | | | | 11,796,400 | 6,821,354 | | | | | |
| 2.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 2.3. Reinsurance ceded | 6,769,536 | 6,769,536 | | | | | | | | | | | |
| 2.4. Net | 23,149,332 | 4,531,578 | 0 | 0 | 0 | 0 | 11,796,400 | 6,821,354 | 0 | 0 | 0 | 0 | 0 |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | | | | |
| 3.1. Direct | 0 | | | | | | | | | | | | |
| 3.2. Reinsurance assumed | 0 | | | | | | | | | | | | |
| 3.3. Reinsurance ceded | 0 | | | | | | | | | | | | |
| 3.4. Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. TOTALS: | | | | | | | | | | | | | |
| 4.1. Direct | 51,581,927 | 19,758,334 | 0 | 0 | 0 | 0 | 21,954,266 | 9,869,327 | 0 | 0 | 0 | 0 | 0 |
| 4.2. Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3. Reinsurance ceded | 11,835,538 | 11,835,538 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4. Net | 39,746,389 | 7,922,796 | 0 | 0 | 0 | 0 | 21,954,266 | 9,869,327 | 0 | 0 | 0 | 0 | 0 |

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability Dec. 31 of Current Year | | 5 Claims Incurred in Prior Years (Columns 1 + 3) | 6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
|--|--|---|---|---|---|--|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital and medical) | 9,969,651 | 68,105,200 | 204,719 | 8,124,604 | 10,174,370 | 11,600,978 |
| 2. Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only..... | | | | | 0 | 0 |
| 4. Vision Only..... | | | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan Premiums | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | 17,933,385 | 125,418,520 | 76,549 | 22,697,525 | 18,009,934 | 20,303,468 |
| 7. Title XIX - Medicaid..... | 10,872,165 | 65,887,793 | 597,877 | 9,643,419 | 11,470,042 | 12,321,836 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8)..... | 38,775,201 | 259,411,513 | 879,145 | 40,465,548 | 39,654,346 | 44,226,282 |
| 10. Healthcare receivables (a)..... | 17,840 | 1,143,193 | | 176,112 | 17,840 | 460,585 |
| 11. Other non-health..... | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 422,027 | | 1 | 388,603 | 422,028 | 378,728 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 39,179,388 | 258,268,320 | 879,146 | 40,678,039 | 40,058,534 | 44,144,425 |

(a) Excludes \$loans or advances to providers not yet expensed.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 24,658 | 301 | 0 | 0 | 0 |
| 2. 2002 | 187,174 | 22,707 | (197) | 0 | 0 |
| 3. 2003 | XXX | 207,102 | 23,424 | (75) | 0 |
| 4. 2004 | XXX | XXX | 82,292 | 12,827 | (257) |
| 5. 2005 | XXX | XXX | XXX | 78,525 | 10,227 |
| 6. 2006 | XXX | XXX | XXX | XXX | 68,105 |

Section B – Incurred Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 1,217,768 | 1,217,146 | 1,217,146 | 1,217,146 | 1,217,169 |
| 2. 2002 | 214,127 | 210,482 | 209,745 | 209,745 | 209,745 |
| 3. 2003 | XXX | 237,683 | 223,477 | 230,452 | 223,253 |
| 4. 2004 | XXX | XXX | 105,801 | 95,403 | 101,999 |
| 5. 2005 | XXX | XXX | XXX | 89,849 | 88,957 |
| 6. 2006 | XXX | XXX | XXX | XXX | 76,230 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. 2002 | 257,703 | 209,745 | 12,358 | 5.9 | 222,103 | 86.2 | | | 222,103 | 86.2 |
| 2. 2003 | 287,046 | 223,253 | 9,129 | 4.1 | 232,382 | 81.0 | | | 232,382 | 81.0 |
| 3. 2004 | 106,565 | 101,999 | 5,676 | 5.6 | 107,675 | 101.0 | | | 107,675 | 101.0 |
| 4. 2005 | 114,504 | 88,752 | 2,482 | 2.8 | 91,234 | 79.7 | 205 | | 91,439 | 79.9 |
| 5. 2006 | 100,531 | 68,105 | 5,289 | 7.8 | 73,394 | 73.0 | 8,125 | | 81,519 | 81.1 |

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Medicare

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 9,729 | 103 | 0 | 0 | 0 |
| 2. 2002 | 73,850 | 7,745 | (112) | 0 | 0 |
| 3. 2003 | XXX | 70,642 | 13,389 | (83) | 0 |
| 4. 2004 | XXX | XXX | 78,837 | 14,280 | (463) |
| 5. 2005 | XXX | XXX | XXX | 100,044 | 18,397 |
| 6. 2006 | XXX | XXX | XXX | XXX | 125,419 |

Section B - Incurred Health Claims - Medicare

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 679,674 | 679,361 | 679,361 | 679,361 | 679,361 |
| 2. 2002 | 85,978 | 81,865 | 81,476 | 81,476 | 81,476 |
| 3. 2003 | XXX | 84,402 | 84,873 | 83,948 | 84,723 |
| 4. 2004 | XXX | XXX | 85,434 | 93,184 | 91,885 |
| 5. 2005 | XXX | XXX | XXX | 120,280 | 118,517 |
| 6. 2006 | XXX | XXX | XXX | XXX | 148,116 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. 2002 | 106,276 | 81,476 | 729 | 0.9 | 82,205 | 77.4 | | | 82,205 | 77.4 |
| 2. 2003 | 105,056 | 84,723 | 1,426 | 1.7 | 86,149 | 82.0 | | | 86,149 | 82.0 |
| 3. 2004 | 120,328 | 91,885 | 4,071 | 4.4 | 95,956 | 79.7 | | | 95,956 | 79.7 |
| 4. 2005 | 144,223 | 118,441 | 2,789 | 2.4 | 121,230 | 84.1 | 77 | | 121,307 | 84.1 |
| 5. 2006 | 173,489 | 125,419 | 2,694 | 2.1 | 128,113 | 73.8 | 22,698 | | 150,811 | 86.9 |

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 7,387 | 93 | 0 | 0 | 0 |
| 2. 2002 | 56,068 | 7,062 | (30) | 0 | 0 |
| 3. 2003 | XXX | 64,414 | 3,565 | (3) | 0 |
| 4. 2004 | XXX | XXX | 61,421 | 498 | (292) |
| 5. 2005 | XXX | XXX | XXX | 64,667 | 11,586 |
| 6. 2006 | XXX | XXX | XXX | XXX | 65,888 |

Section B – Incurred Health Claims - Title XIX Medicaid

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 252,331 | 252,217 | 252,217 | 252,217 | 252,217 |
| 2. 2002 | 62,133 | 63,266 | 63,047 | 63,047 | 63,047 |
| 3. 2003 | XXX | 71,295 | 74,435 | 67,976 | 74,399 |
| 4. 2004 | XXX | XXX | 58,735 | 64,236 | 55,258 |
| 5. 2005 | XXX | XXX | XXX | 75,050 | 76,850 |
| 6. 2006 | XXX | XXX | XXX | XXX | 75,920 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. 2002 | 72,703 | 63,047 | 836 | 1.3 | 63,883 | 87.9 | | | 63,883 | 87.9 |
| 2. 2003 | 73,707 | 74,399 | 3,709 | 5.0 | 78,108 | 106.0 | | | 78,108 | 106.0 |
| 3. 2004 | 77,162 | 55,258 | 2,590 | 4.7 | 57,848 | 75.0 | | | 57,848 | 75.0 |
| 4. 2005 | 87,574 | 76,252 | 1,391 | 1.8 | 77,643 | 88.7 | 598 | | 78,241 | 89.3 |
| 5. 2006 | 89,723 | 65,888 | 1,404 | 2.1 | 67,292 | 75.0 | 10,032 | | 77,324 | 86.2 |

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 41,774 | 497 | .0 | .0 | .0 |
| 2. 2002 | 317,092 | 37,514 | (339) | .0 | .0 |
| 3. 2003 | XXX | 342,158 | 40,378 | (161) | .0 |
| 4. 2004 | XXX | XXX | 222,550 | 27,605 | (1,012) |
| 5. 2005 | XXX | XXX | XXX | 243,236 | 40,210 |
| 6. 2006 | XXX | XXX | XXX | XXX | 259,412 |

Section B - Incurred Health Claims - Grand Total

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 2,170,483 | 2,169,434 | 2,169,434 | 2,169,434 | 2,169,457 |
| 2. 2002 | 362,238 | 355,613 | 354,268 | 354,268 | 354,268 |
| 3. 2003 | XXX | 393,380 | 382,785 | 382,376 | 382,375 |
| 4. 2004 | XXX | XXX | 249,970 | 252,823 | 249,142 |
| 5. 2005 | XXX | XXX | XXX | 285,179 | 284,324 |
| 6. 2006 | XXX | XXX | XXX | XXX | 300,266 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. 2002 | 436,682 | 354,268 | 13,923 | 3.9 | 368,191 | 84.3 | .0 | .0 | 368,191 | 84.3 |
| 2. 2003 | 465,809 | 382,375 | 14,264 | 3.7 | 396,639 | 85.2 | .0 | .0 | 396,639 | 85.2 |
| 3. 2004 | 304,055 | 249,142 | 12,337 | 5.0 | 261,479 | 86.0 | .0 | .0 | 261,479 | 86.0 |
| 4. 2005 | 346,301 | 283,445 | 6,662 | 2.4 | 290,107 | 83.8 | 880 | .0 | 290,987 | 84.0 |
| 5. 2006 | 363,743 | 259,412 | 9,387 | 3.6 | 268,799 | 73.9 | 40,855 | 0 | 309,654 | 85.1 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A – Paid Health Claims - Medicare Supplement

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----|-----|-----|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1. Prior | | | | | |
| 2. | | | | | |
| 3. | XXX | | | | |
| 4. | XXX | XXX | | | |
| 5. | XXX | XXX | XXX | | |
| 6. | XXX | XXX | XXX | XXX | |

Section B - Incurred Health Claims - Medicare Supplement

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 7,737 | 7,737 | 7,737 | 7,737 | 7,737 |
| 2. 2002 | .0 | .0 | .0 | .0 | .0 |
| 3. 2003 | XXX | .0 | .0 | .0 | .0 |
| 4. 2004 | XXX | XXX | .0 | .0 | .0 |
| 5. 2005 | XXX | XXX | XXX | .0 | .0 |
| 6. 2006 | XXX | XXX | XXX | XXX | 0 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare Supplement

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. | | | | | | | | | | |
| 2. | | | | | | | | | | |
| 3. | | | | | | | | | | |
| 4. | | | | | | | | | | |
| 5. | | | | | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A – Paid Health Claims - Federal Employees Health Benefits Plan Premium

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----|-----|-----|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1. Prior | | | | | |
| 2. | | | | | |
| 3. | XXX | | | | |
| 4. | XXX | XXX | | | |
| 5. | XXX | XXX | XXX | | |
| 6. | XXX | XXX | XXX | XXX | |

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2002 | 2 2003 | 3 2004 | 4 2005 | 5 2006 |
| 1. Prior | 12,973 | 12,973 | 12,973 | 12,973 | 12,973 |
| 2. 2002 | .0 | .0 | .0 | .0 | .0 |
| 3. 2003 | XXX | .0 | .0 | .0 | .0 |
| 4. 2004 | XXX | XXX | .0 | .0 | .0 |
| 5. 2005 | XXX | XXX | XXX | .0 | .0 |
| 6. 2006 | XXX | XXX | XXX | XXX | 0 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 Col. (3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 Col. (5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 Col. (9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. | | | | | | | | | | |
| 2. | | | | | | | | | | |
| 3. | | | | | | | | | | |
| 4. | | | | | | | | | | |
| 5. | | | | | | | | | | |

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--|-----------|--|------------------------|-------------|-------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Stop Loss | Disability Income | Long-Term Care | Other |
| POLICY RESERVE | | | | | | | | | | | | |
| 1. Unearned premium reserves | .0 | | | | | | | | | | | |
| 2. Additional policy reserves (a) | 562,350 | 562,350 | | | | | | | | | | |
| 3. Reserve for future contingent benefits | .0 | | | | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$ for investment income) | 2,262,602 | | | | | | 2,262,602 | | | | | |
| 5. Aggregate write-ins for other policy reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 6. Totals (Gross) | 2,824,952 | 562,350 | .0 | .0 | .0 | .0 | 2,262,602 | .0 | .0 | .0 | .0 | .0 |
| 7. Reinsurance ceded | .0 | | | | | | | | | | | |
| 8. Totals (Net) (Page 3, Line 4) | 2,824,952 | 562,350 | 0 | 0 | 0 | 0 | 2,262,602 | 0 | 0 | 0 | 0 | 0 |
| CLAIM RESERVE | | | | | | | | | | | | |
| 9. Present value of amounts not yet due on claims | .0 | | | | | | | | | | | |
| 10. Reserve for future contingent benefits | 2,208,095 | 1,016,320 | | | | | 819,808 | 371,967 | | | | |
| 11. Aggregate write-ins for other claim reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12. Totals (Gross) | 2,208,095 | 1,016,320 | .0 | .0 | .0 | .0 | 819,808 | 371,967 | .0 | .0 | .0 | .0 |
| 13. Reinsurance ceded | 609,792 | 609,792 | | | | | | | | | | |
| 14. Totals (Net) (Page 3, Line 7) | 1,598,303 | 406,528 | 0 | 0 | 0 | 0 | 819,808 | 371,967 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 0501. | | | | | | | | | | | | |
| 0502. | | | | | | | | | | | | |
| 0503. | | | | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1101. | | | | | | | | | | | | |
| 1102. | | | | | | | | | | | | |
| 1103. | | | | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$ for occupancy of own building)..... | 49,826 | 328,597 | 1,298,309 | 0 | 1,676,732 |
| 2. Salaries, wages and other benefits..... | 605,365 | 3,882,804 | 18,112,775 | 0 | 22,600,944 |
| 3. Commissions (less \$ ceded plus \$ assumed.....) | 3,069 | 9,921 | 2,725,175 | 0 | 2,738,165 |
| 4. Legal fees and expenses..... | 981 | 17,811 | 7,388 | 0 | 26,180 |
| 5. Certifications and accreditation fees..... | 0 | 0 | 0 | 0 | 0 |
| 6. Auditing, actuarial and other consulting services..... | 89,750 | 647,209 | 1,474,822 | 0 | 2,211,781 |
| 7. Traveling expenses..... | 23,303 | 73,611 | 827,205 | 0 | 924,119 |
| 8. Marketing and advertising..... | 319,053 | 1,000,195 | 9,365,058 | 0 | 10,684,306 |
| 9. Postage, express and telephone..... | 101,397 | 816,397 | 1,969,329 | 0 | 2,887,123 |
| 10. Printing and office supplies..... | 3,907 | 11,922 | 177,228 | 0 | 193,057 |
| 11. Occupancy, depreciation and amortization..... | 7,340 | 24,311 | 231,451 | 0 | 263,102 |
| 12. Equipment..... | 3,470 | 16,623 | 119,929 | 0 | 140,022 |
| 13. Cost or depreciation of EDP equipment and software..... | 39,605 | 457,426 | 546,284 | 0 | 1,043,315 |
| 14. Outsourced services including EDP, claims, and other services..... | 42,796 | 635,995 | 619,619 | 0 | 1,298,410 |
| 15. Boards, bureaus and association fees..... | 308 | 2,427 | 16,406 | 0 | 19,141 |
| 16. Insurance, except on real estate..... | | | 611,484 | | 611,484 |
| 17. Collection and bank service charges..... | 537 | 9,753 | 19,977 | | 30,267 |
| 18. Group service and administration fees..... | | | | | 0 |
| 19. Reimbursements by uninsured plans..... | | | | | 0 |
| 20. Reimbursements from fiscal intermediaries..... | | | | | 0 |
| 21. Real estate expenses..... | | | | | 0 |
| 22. Real estate taxes..... | | | | | 0 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes..... | | | 2,402,636 | | 2,402,636 |
| 23.2 State premium taxes..... | | | | | 0 |
| 23.3 Regulatory authority licenses and fees..... | 573 | 1,442 | (88,178) | | (86,163) |
| 23.4 Payroll taxes..... | 23,814 | 90,284 | 804,147 | | 918,245 |
| 23.5 Other (excluding federal income and real estate taxes)..... | | | 5,420 | | 5,420 |
| 24. Investment expenses not included elsewhere..... | | | | 67,876 | 67,876 |
| 25. Aggregate write-ins for expenses..... | 9,808 | 34,882 | 396,799 | 0 | 441,489 |
| 26. Total expenses incurred (Lines 1 to 25)..... | 1,324,902 | 8,061,610 | 41,643,263 | 67,876 | 51,097,651 |
| 27. Less expenses unpaid December 31, current year..... | | | 1,610,874 | | 1,610,874 |
| 28. Add expenses unpaid December 31, prior year..... | 0 | 0 | 4,504,161 | 0 | 4,504,161 |
| 29. Amounts receivable relating to uninsured plans, prior year..... | 0 | 0 | 0 | 0 | 0 |
| 30. Amounts receivable relating to uninsured plans, current year..... | | | | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 1,324,902 | 8,061,610 | 44,536,550 | 67,876 | 53,990,938 |
| DETAIL OF WRITE-INS | | | | | |
| 2501. Other Miscellaneous..... | 9,808 | 34,882 | 396,799 | | 441,489 |
| 2502. | | | | | |
| 2503. | | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0 | 0 | 0 | 0 |
| 2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above) | 9,808 | 34,882 | 396,799 | 0 | 441,489 |

(a) Includes management fees of \$43,649,518 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds | (a) 206,855 | 198,863 |
| 1.1 Bonds exempt from U.S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) 3,892,224 | 3,886,465 |
| 1.3 Bonds of affiliates | (a) | |
| 2.1 Preferred stocks (unaffiliated) | (b) | |
| 2.11 Preferred stocks of affiliates | (b) | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c) | |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | (e) 3,968,717 | 3,968,717 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | 0 | 0 |
| 10. Total gross investment income | 8,067,796 | 8,054,045 |
| 11. Investment expenses | | (g) 67,876 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. Interest expense | | (h) |
| 14. Depreciation on real estate and other invested assets | | (i) |
| 15. Aggregate write-ins for deductions from investment income | | 0 |
| 16. Total (Lines 11 through 15) | | 67,876 |
| 17. Net Investment Income - (Line 10 minus Line 16) | | 7,986,169 |
| DETAILS OF WRITE-INS | | |
| 0901. | | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above) | 0 | 0 |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above) | | 0 |

- (a) Includes \$ 45,959 accrual of discount less \$ 388,447 amortization of premium and less \$ 147,876 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 41,987 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 67,876 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) On Sales or Maturity | 2 Other Realized Adjustments | 3 Unrealized Increases (Decreases) by Adjustment | 4 Total |
|--|---|---------------------------------------|--|------------|
| 1. U.S. Government bonds | 0 | | | 0 |
| 1.1 Bonds exempt from U.S. tax | 3,288 | | | 3,288 |
| 1.2 Other bonds (unaffiliated) | (89,765) | | | (89,765) |
| 1.3 Bonds of affiliates | 0 | 0 | 0 | 0 |
| 2.1 Preferred stocks (unaffiliated) | | | | 0 |
| 2.11 Preferred stocks of affiliates | 0 | 0 | 0 | 0 |
| 2.2 Common stocks (unaffiliated) | | | | 0 |
| 2.21 Common stocks of affiliates | 0 | 0 | 0 | 0 |
| 3. Mortgage loans | | | | 0 |
| 4. Real estate | | | | 0 |
| 5. Contract loans | | | | 0 |
| 6. Cash, cash equivalents and short-term investments | | | | 0 |
| 7. Derivative instruments | | | | 0 |
| 8. Other invested assets | | | | 0 |
| 9. Aggregate write-ins for capital gains (losses) | 5,776 | 0 | 0 | 5,776 |
| 10. Total capital gains (losses) | (80,701) | 0 | 0 | (80,701) |
| DETAILS OF WRITE-INS | | | | |
| 0901. Worldcom Investment Settlements | 5,776 | | | 5,776 |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above) | 5,776 | 0 | 0 | 5,776 |

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|--|--|----------------------------------|--|
| | Current Year Total Nonadmitted Assets | Prior Year Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D)..... | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income..... | 0 | 0 | 0 |
| 4.3 Properties held for sale | 0 | 0 | 0 |
| 5. Cash, (Schedule-E, Part 1), cash equivalents (Schedule-E, Part 2) and short-term investments (Schedule DA)..... | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Other invested assets (Schedule BA) | 0 | 0 | 0 |
| 8. Receivables for securities | 0 | 0 | 0 |
| 9. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 0 | 0 | 0 |
| 11. Title plants (for Title insurers only)..... | 0 | 0 | 0 |
| 12. Investment income due and accrued | 0 | 0 | 0 |
| 13. Premiums and considerations: | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 164,794 | 0 | (164,794) |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | 0 | 0 | 0 |
| 13.3 Accrued retrospective premium..... | 0 | 0 | 0 |
| 14. Reinsurance: | | | |
| 14.1 Amounts recoverable from reinsurers | 0 | 0 | 0 |
| 14.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 |
| 14.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 15. Amounts receivable relating to uninsured plans | 0 | 0 | 0 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 |
| 16.2 Net deferred tax asset..... | 0 | 0 | 0 |
| 17. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 18. Electronic data processing equipment and software..... | 0 | 0 | 0 |
| 19. Furniture and equipment, including health care delivery assets..... | 0 | 0 | 0 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 |
| 21. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 |
| 22. Health care and other amounts receivable..... | 1,337,144 | 460,584 | (876,560) |
| 23. Aggregate write-ins for other than invested assets | 218 | 1,483 | 1,265 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)..... | 1,502,156 | 462,067 | (1,040,089) |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 26. Total (Lines 24 and 25) | 1,502,156 | 462,067 | (1,040,089) |
| DETAILS OF WRITE-INS | | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) | 0 | 0 | 0 |
| 2301. Escheatments..... | 218 | 1,483 | 1,265 |
| 2302. | | | |
| 2303. | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) | 218 | 1,483 | 1,265 |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|---|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations..... | 77,867 | 70,083 | 66,727 | 64,546 | 62,947 | 799,482 |
| 2. Provider Service Organizations..... | .0 | | | | | |
| 3. Preferred Provider Organizations..... | .0 | | | | | |
| 4. Point of Service..... | .0 | | | | | |
| 5. Indemnity Only..... | .0 | | | | | |
| 6. Aggregate write-ins for other lines of business | 53,245 | 51,325 | 52,063 | 52,545 | 50,799 | 628,414 |
| 7. Total | 131,112 | 121,408 | 118,790 | 117,091 | 113,746 | 1,427,896 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. Medicare..... | 17,243 | 17,835 | 18,508 | 18,666 | 18,520 | 220,367 |
| 0602. Medicaid..... | 36,002 | 33,490 | 33,555 | 33,879 | 32,279 | 408,047 |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page..... | .0 | .0 | .0 | .0 | .0 | .0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | 53,245 | 51,325 | 52,063 | 52,545 | 50,799 | 628,414 |

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of UnitedHealthcare of New England, Inc. (the “Company” or “UHC-NE”) are presented based on accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division (the “Department”).

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Rhode Island for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Rhode Island Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, version effective March 31, 2006 (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of Rhode Island. The state has not adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

The surplus note that is included in capital and surplus in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus would be reflected as a liability, including interest, under general accepted accounting principles. No interest has been accrued on this not for statutory reporting purposes.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Rhode Island is shown below:

| | Dec-06 |
|---------------------------------------|---------------|
| Net Income, Rhode Island basis | \$ 15,962,185 |
| State Prescribed Practices: | \$ 0 |
| | ----- |
| Net Income, NAIC SAP | \$ 15,962,185 |
| | ===== |
| Statutory Surplus, Rhode Island basis | \$ 90,674,403 |
| State Prescribed Practices: | \$ 0 |
| | ----- |
| Statutory Surplus, NAIC SAP | \$ 90,674,403 |
| | ===== |

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Health premiums are recognized as revenue during the period in which the Company is obligated to provide services to members, and are net of amounts estimated for terminations of members and groups. Premiums receivable are presented net of valuation allowances for estimated uncollectible amounts including balances over 90 days past due. In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds are stated at amortized cost with amortization of premium or discount calculated using the interest method.
3. N/A

NOTES TO FINANCIAL STATEMENTS

4. N/A
5. N/A
6. N/A
7. N/A
8. N/A
9. N/A
10. N/A
11. Claims unpaid and unpaid claim adjustment expenses include an amount for costs incurred in providing care to a member and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and, while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. N/A

Note 2 - Accounting Changes and Corrections of Errors

A.

N/A

B.

N/A

Note 3 – Business Combinations and Goodwill

A.

N/A

B.

N/A

C.

N/A

Note 4 – Discontinued Operations

N/A

Note 5 – Investments

N/A

Note 6 – Joint Ventures, Partnerships, and Limited Liability Companies

N/A

Note 7 – Investment Income

N/A

Note 8 – Derivative Instruments

N/A

Note 9 – Income Taxes

A.

NOTES TO FINANCIAL STATEMENTS

The components of the net deferred tax asset at December 31 are as follows (in thousands):

| | 2006 | 2005 |
|---------------------------------|----------|----------|
| Gross deferred tax assets | \$ 2,057 | \$ 1,782 |
| Gross deferred tax liabilities | | (76) |
| Net deferred tax asset | 2,057 | \$ 1,706 |
| Deferred tax asset nonadmitted | - | - |
| Net admitted deferred tax asset | \$ 2,057 | \$ 1,706 |

B.

1) N/A

2) N/A

C.

The provisions for income taxes for the years ended December 31 are:

| | 2006 | 2005 |
|-------------------------------------|----------|----------|
| Federal | \$ 7,524 | \$ 7,306 |
| Federal income tax on capital gains | - | (53) |
| Federal income taxes incurred | \$ 7,524 | \$ 7,253 |

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets for the year ended December 31 are as follows (in thousands):

| | 2006 | 2005 |
|--|----------|----------|
| Deferred tax assets: | | |
| Discounting of unpaid claims and claims adjustment expense | \$ 254 | \$ 367 |
| Unearned Premium | 677 | 756 |
| Non-admitted asset | 526 | - |
| Accrued expenses and other | 600 | 659 |
| Total deferred tax assets | \$2,057 | \$1,782 |
| Nonadmitted deferred tax assets | - | - |
| Admitted deferred tax assets | 2,057 | 1,782 |
| Deferred tax liabilities | - | (76) |
| Net admitted deferred tax asset | \$ 2,057 | \$ 1,706 |

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

| | December 31, 2006 | January 1, 2006 | Change |
|--|----------------------|--------------------|--------|
| | | | |

NOTES TO FINANCIAL STATEMENTS

| | | | |
|---|---------|---------|-------|
| Total deferred tax assets | \$2,057 | \$1,783 | \$274 |
| Total deferred tax liabilities | – | (76) | 76 |
| Net deferred tax asset | \$2,057 | \$1,783 | \$350 |
| Tax effect of unrealized gains (losses) | | | – |
| Change in net deferred income tax | | | \$350 |

D.

The Company’s provision for federal income taxes incurred differs from the amount obtained by applying the federal statutory rate of 35% to Income before taxes for the following reasons (in thousands):

| | <u>DEC-06</u> | <u>DEC-05</u> |
|---|-----------------|-----------------|
| (1) Expected federal income tax expense | \$ 8,516 | \$ 8,516 |
| (2) Equity tax (mutual life companies only) | \$ 0 | \$ 0 |
| (3) Tax – Exempt Interest | \$ (586) | \$ (617) |
| (4) Foreign Taxes | \$ 0 | \$ 0 |
| (5) Other amounts | \$ (756) | \$ 157 |
| (6) Total incurred income tax expense | <u>\$ 7,174</u> | <u>\$ 8,002</u> |
| | | |
| Federal Income Taxes Incurred | \$ 7,524 | \$ 7,253 |
| Change in Net Deferred Income Taxes | <u>\$ (350)</u> | <u>\$ 749</u> |
| Total Statutory Income Taxes | <u>\$ 7,174</u> | <u>\$ 8,002</u> |

E.

1) N/A

2) N/A

F.

1)

The Company’s operations are included in the consolidated federal income tax return of UnitedHealth Group Incorporated (“UHG”). Federal income taxes are paid to or refunded by UHG pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate-company basis. Income taxes incurred in the current and prior years will be available for recoupment by the Company only in the event of future net losses of consolidated UHG.

2)

N/A

The following is a list of the entities that the Company’s operating results are combined with on the federal income tax return:

UnitedHealth Group Incorporated
41-1321939
U.S. Corporation Income Tax Return
Calendar Year 2006

Employer
Identification

NOTES TO FINANCIAL STATEMENTS

| <u>Name</u> | <u>Number</u> |
|--|---------------|
| UnitedHealth Group Incorporated | 41-1321939 |
| United HealthCare Services, Inc. | 41-1289245 |
| United HealthCare Insurance Company | 36-2739571 |
| United HealthCare Insurance Company of New York | 11-3283886 |
| United HealthCare Insurance Company of Illinois | 36-3800349 |
| United HealthCare Insurance Company of Ohio | 31-1169935 |
| UnitedHealth Group Finance Company, Inc. | 41-1963826 |
| Arizona Physicians IPA, Inc. | 86-0813232 |
| UnitedHealthcare of Wisconsin, Inc. | 39-1555888 |
| UnitedHealth Group International, Inc. (f/k/a UnitedHealthcare International, Inc.) | 41-1917398 |
| UHC International Services, Inc. | 41-1913059 |
| United HealthCare of Alabama, Inc. | 63-0899562 |
| United HealthCare of Arizona, Inc. | 86-0507074 |
| United HealthCare of Arkansas, Inc. | 63-1036819 |
| United HealthCare of Colorado, Inc. | 84-1004639 |
| United HealthCare of Florida, Inc. | 59-1293865 |
| United HealthCare of Georgia, Inc. | 58-1653544 |
| UnitedHealthcare of Illinois, Inc. | 36-3280214 |
| United HealthCare of Kentucky, Ltd. | 62-1240316 |
| United HealthCare of Louisiana, Inc. | 72-1074008 |
| United HealthCare of Mississippi, Inc. | 63-1036817 |
| UnitedHealthcare of New England, Inc. | 05-0413469 |
| UnitedHealthcare of New Jersey, Inc. | 22-3207740 |
| UnitedHealthcare of New York, Inc. | 06-1172891 |
| UnitedHealthcare of North Carolina, Inc. | 56-1461010 |
| United HealthCare of Ohio, Inc. | 31-1142815 |
| United HealthCare of Tennessee, Inc. | 63-1036814 |
| United HealthCare of Texas, Inc. | 95-3939697 |
| UnitedHealthcare of the Mid-Atlantic, Inc. | 52-1130183 |
| United HealthCare of the Midlands, Inc. | 47-0676824 |
| United HealthCare of the Midwest, Inc. | 43-1361841 |
| United HealthCare of Utah | 41-1488563 |
| UnitedHealthcare, Inc. | 41-1922511 |
| UHC International Holdings, Inc. | 41-1819047 |
| H & W Indemnity Ltd. | 98-0213198 |
| Optimum Choice, Inc. | 52-1518174 |
| Optimum Choice of the Carolinas, Inc. | 56-1929493 |
| Optimum Choice, Inc. of Pennsylvania | 52-1907022 |
| MAMSI Life and Health Insurance Company | 52-1803283 |
| MD-Individual Practice Association, Inc. | 52-1169135 |
| Fidelity Insurance Group, Inc. | 51-0393319 |
| Fidelity Insurance Company | 52-1602019 |
| Fidelity Benefit Administrators, Inc. | 52-1327095 |
| Physician's Medical Group, Inc. | 52-1425213 |
| Neighborhood Health Holding Corporation | 74-3030873 |
| Neighborhood Health Partnership, Inc. | 65-0996107 |
| United Medical Resources, Inc. | 31-1078580 |
| Midwest Security Holding, Inc. | 39-1127271 |
| Midwest Security Administrators, Inc. | 39-1653251 |
| Midwest Security Care, Inc. | 39-1624025 |
| MAMSI Insurance Agency of the Carolinas | 56-1926493 |
| Physicians Health Plan of Maryland, Inc. | 52-1162824 |
| HomeCall Hospice Services, Inc. | 52-1998474 |
| HomeCall Pharmaceutical Services, Inc. | 52-1638210 |
| HomeCall, Inc. | 52-0998217 |
| First Call, Inc. | 52-1456623 |
| MD-IPA Surgicenter, Inc. | 52-1415329 |
| Golden Rule Financial Corporation | 37-0855360 |
| Executive Systems, Inc. | 37-0922117 |
| Ad-Ventures, Inc. | 37-0920164 |
| Charitable Organizations Services, Inc. | 35-1684295 |
| Golden Rule Acquisition Corporation | 35-2083710 |
| Great Western Products Company, Inc. | 63-0722920 |
| Investors Guaranty Life Insurance Company | 91-6034263 |
| Oxford Health Plans (CT), Inc. | 06-1181201 |

NOTES TO FINANCIAL STATEMENTS

| | |
|--|------------|
| Oxford Health Plans (NJ), Inc. | 22-2745725 |
| Oxford Benefit Management, Inc. | 06-1587795 |
| Oxford Health Plans (NY), Inc. | 06-1181200 |
| Oxford Health Insurance, Inc. | 22-2797560 |
| CT Management, Inc. | 95-4690976 |
| Ingenix Pharmaceutical Services, Inc. | 41-1975147 |
| Ingenix, Inc. | 41-1858498 |
| Reden & Anders, Ltd. | 41-1671279 |
| Ingenix Publishing, Inc. | 54-1526076 |
| GeoAccess, Inc. | 48-1090471 |
| Aperture Credentialing Holdings, Inc. | 61-1373635 |
| Aperture Credentialing, Inc. | 61-1314126 |
| HSS, Inc. | 06-1391524 |
| Symmetry Health Data Systems, Inc. | 86-0725461 |
| Ingenix Health Intelligence, Inc. | 35-2170347 |
| Distance Learning Network, Inc. | 30-0238641 |
| STATPROBE, Inc. | 38-2831808 |
| Advana, Inc. | 39-1833937 |
| Integrated Healthcare Information Services, Inc. | 04-3326454 |
| Midwest Security Life Insurance Company | 35-1279304 |
| Golden Rule Insurance Company | 37-6028756 |
| Rooney Life Insurance Company | 35-1744596 |
| All Savers Insurance Company | 35-1665915 |
| Unimerica Life Insurance Company of New York | 01-0637149 |
| AmeriChoice Corporation | 54-1743136 |
| AmeriChoice Health Services, Inc. | 54-1743141 |
| AmeriChoice Alliance, Inc. | 47-0875734 |
| AmeriChoice of Pennsylvania, Inc. | 54-1495918 |
| AmeriChoice of New Jersey, Inc. | 22-3368602 |
| AmeriChoice of New York, Inc. | 11-3122517 |
| Information Network Corporation | 86-0477097 |
| Revolution Health Systems, Inc. | 23-2845194 |
| Great Lakes Health Plan, Inc. | 38-3204052 |
| Ovations, Inc. | 41-1921007 |
| Lifemark Corporation | 36-3338328 |
| Evercare of Texas LLC | 91-2008361 |
| Evercare Collaborative Solutions, Inc. | 86-0964571 |
| Evercare Connections, Inc. | 71-0758986 |
| Evercare of Arizona, Inc. | 86-0618309 |
| Arizona Health Concepts, Inc. | 86-0706469 |
| EverCare of New York, IPA, Inc. | 41-1962017 |
| Evercare Hospice, Inc. (f/k/a Ovations Hospice, Inc.) | 30-0226127 |
| American Medical Security Group, Inc. | 39-1431799 |
| Continental Plan Services, Inc. | 39-1804305 |
| American Medical Security Life Insurance Company | 86-0207231 |
| Salveo Insurance Company, Ltd. | 98-0361995 |
| PacifiCare Behavioral Health, Inc. | 33-0538634 |
| PacifiCare Behavioral Health of California, Inc. | 95-4166547 |
| PacifiCare Behavioral Health NY IPA, Inc. | 20-0151096 |
| PacifiCare Behavioral Health of New Jersey, Inc. | 20-0331237 |
| RxSolutions, Inc. | 33-0441200 |
| PacifiCare Health Plan Administrators, Inc. | 35-1508167 |
| PacifiCare of Texas, Inc. | 33-0115163 |
| PacifiCare of Oklahoma, Inc. | 33-0115166 |
| PacifiCare of Washington, Inc. | 91-1312551 |
| PacifiCare of Oregon, Inc. | 93-0938819 |
| PacifiCare of California | 95-2931460 |
| PacifiCare of Arizona, Inc. | 94-3267522 |
| PacifiCare of Nevada, Inc. | 86-0875231 |
| PacifiCare Life and Health Insurance Company | 35-1137395 |
| PacifiCare Life Assurance Company | 95-2829463 |
| PacifiCare of Colorado, Inc. | 84-1011378 |
| PacifiCare Southwest Operations, Inc. | 20-0496242 |
| PacifiCare Dental | 95-2797931 |
| PacifiCare Dental of Colorado, Inc. | 94-3284628 |
| SecureHorizons USA, Inc. | 33-0561998 |

NOTES TO FINANCIAL STATEMENTS

| | |
|---|------------|
| PacifiCare Insurance Company | 20-2596962 |
| Union Health Solutions, Inc. | 33-0446372 |
| PacifiCare eHoldings, Inc. | 33-0894171 |
| SeniorCo, Inc. | 33-0894074 |
| Specialized Care Services Inc. | 41-1921983 |
| United Behavioral Health | 94-2649097 |
| U.S. Behavioral Health Plan of California, Inc. | 94-3077084 |
| Behavioral Health Administrators | 94-3111105 |
| LifeEra, Inc. | 93-0978135 |
| National Benefit Resources, Inc. | 41-1485369 |
| Dental Benefit Providers, Inc. | 41-2014834 |
| Dental Benefit Providers of California, Inc. | 52-1452809 |
| Dental Benefit Providers of Illinois, Inc. | 36-4008355 |
| Dental Benefit Providers of Maryland, Inc. | 52-1500049 |
| Dental Benefit Providers of New Jersey, Inc. | 52-1987381 |
| Dental Insurance Company of America | 14-1795824 |
| Unimerica Insurance Company | 52-1996029 |
| DBP-KAI, Inc. | 52-1811176 |
| Coordinated Vision Care, Inc. | 31-1603051 |
| ACN Group, Inc. | 41-1591944 |
| ACN Group IPA of New York, Inc. | 41-1913523 |
| Managed Physical Network, Inc. | 14-1782475 |
| ACN Group of California, Inc. | 27-0015861 |
| Preferred Chiropractors of California | 77-0194168 |
| Sierra Chiropractic, Inc. | 77-0343090 |
| Spectera, Inc. | 52-1260282 |
| Spectera Vision, Inc. | 54-1804256 |
| Spectera Vision Services of California, Inc. | 95-4354052 |
| Special Risk International, Inc. | 52-1900090 |
| Triage Alliance, Inc. | 36-4383595 |
| Envision Care Alliance, Inc. | 36-3903346 |
| HealthAllies, Inc. | 95-4763349 |
| DCG Holdings, Inc. | 01-0490022 |
| Exante Financial Services, Inc. | 47-0858530 |
| Exante Bank, Inc. | 47-0858534 |
| PacificDental Benefits, Inc. | 94-3252033 |
| NPD Insurance Company, Inc. | 20-1639614 |
| Pacific Union Dental, Inc. | 94-2904953 |
| Nevada Pacific Dental, Inc. | 88-0228572 |
| Illinois Pacific Dental, Inc. | 36-3614992 |
| National Pacific Dental, Inc. | 76-0196559 |
| NPD Management Services, Inc. | 20-0111219 |
| NPD Dental Services, Inc. | 91-2197277 |
| Uniprise, Inc. | 41-1921009 |
| UHIC Holdings, Inc. | 41-1921008 |
| Definity Health Corporation | 41-1966185 |
| Definity Health of New York, Inc. | 20-0986041 |
| Lemhi Corporation | 47-0853936 |
| Commonwealth Physicians Services Corporation | 62-1236472 |
| Group Vision Associates, Inc. | 23-2760620 |
| Specialty Resource Services, Inc. | 41-1925903 |
| United Behavioral Health of New York I.P.A., Inc. | 41-1868911 |
| United Resource Networks, Inc. | 41-1940493 |
| UnitedHealth Networks, Inc. | 41-1941124 |
| Spectera of New York, IPA, Inc. | 71-0886811 |
| Oxford Aviation, Inc. | 06-1456168 |
| United Resource Networks IPA of New York, Inc. | 30-0318238 |

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A, B, & C.

The Company paid dividends of \$17,100,000 in 2006 and \$13,436,132 to the Parent Company, United Healthcare Services, Inc, for the year ended December 31, 2006 or 2005.

NOTES TO FINANCIAL STATEMENTS

D.

E.

N/A

F.

The company is a wholly owned subsidiary of United Healthcare Services, Inc., an HMO management corporation that provides services to the Company under the terms of a management agreement. UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated.

Pursuant to the terms of the management agreement, UHS will provide management services to the Company, until terminated upon the written agreement of both parties, for a fee based on a percentage of member premium and government program revenues. Management fees under this arrangement totaled approximately \$43,649,000 in 2006 and \$41,437,000 in 2005 and are included in the accompanying statutory statements of operations. In addition, UHS pays, on the Company's behalf, certain expenses not covered within the scope of the management agreement. UHS is reimbursed for these expenses by the Company. These expenses are included in the accompanying statutory statements of operations. Operations of the company may not be indicative of those that would have occurred if it had operated as an independent company.

The company has a contract with United Behavioral Health, a wholly owned subsidiary of UHS, to provide mental health and substance abuse services for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$17,923,000 in 2006 and \$12,302,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations.

UHS contracts on behalf of the Company to provide administrative services related to pharmacy management and claims processing for its enrollees. Fees related to these agreements, which are calculated on a per claim basis, of approximately \$415,000 in 2006 and \$167,000 in 2005 are included in operating expenses in the accompanying statutory statements of operations. Additionally, UHS collects rebates on certain pharmaceutical products and remits the rebates to the Company based on the Company's member utilization. Rebates related to these agreements of approximately \$8,042,000 in 2006 and \$4,011,000 in 2005 are included as a reduction of medical services expenses in the accompanying statutory statements of operations.

The company has an agreement with OPTUM, a division of UHS, to provide a 24-hour call-in-service, called Care24, an immediate access employee assistance program, to its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$463,000 in 2006 and \$459,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations.

The Company has an agreement with Dental Benefit Providers ("DBP"), a wholly owned subsidiary of UHS, to provide dental care and assistance for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$1,111,000 in 2006 and \$770,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations. Additionally, the Company reimbursed DBP approximately \$160,000 in 2006 and \$76,000 in 2005 for claims not covered by the agreement above, which are also included in medical services expenses in the accompanying statutory statements of operations.

The Company has a reinsurance agreement with United HealthCare Insurance Company ("UHIC"), a wholly owned subsidiary of UHIC Holdings, Inc. (formerly known as Unimerica, Inc), which is a wholly owned subsidiary of UHS, to provide for insolvency protection and member out-of-area conversion privileges, and to cover certain hospital inpatient claims in excess of defined limits and small groups out-of-network coverage. This agreement terminated effective January 1, 2004, for commercial and Medicare products. Reinsurance premiums, which are calculated on a per member per month basis, were approximately \$277,000 in 2006 and \$278,000 in 2005 and are netted against premium revenues in the accompanying statutory statements of operations. Reinsurance recoveries of approximately \$257,000 in 2006 and \$73,000 in 2005 are netted against medical services expenses in the accompanying statutory statements of operations.

Beginning March 30, 2004, with an effective date retroactive to January 1, 2004, the Company entered into a reinsurance agreement with UHIC through which 60% of earned commercial member premiums, medical services expenses, and operating expenses are transferred to

NOTES TO FINANCIAL STATEMENTS

UHIC. The Company transferred operating expenses of approximately \$24,827,000 in 2006 and \$26,710,000 in 2005 to UHIC under this agreement. As of December 31, 2006 and 2005, the Company recorded paid claim receivables related to this agreement of approximately \$9,756,000 and \$10,485,000, respectively, which is included in reinsurance receivables within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus and recorded receivable related to change in reserve estimates of approximately \$12,276,000 in 2006 and \$17,057,000 in 2005, which are netted against medical services payable within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The Company recorded operating expenses receivables of approximately \$1,797,000 in 2006 and \$2,399,000 in 2005, which is included in reinsurance receivables within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The agreement also provides insolvency-only protection for its enrollees. Fees related to this agreement, which are calculated on .1% of earned premium, are approximately \$549,000 in 2006 and \$519,000 in 2005 and are netted against premium revenues in the accompanying statutory statements of operations. The agreement also provides for coverage for reserve cap. Fees related to this agreement, which are calculated on .15% of earned premium, are approximately \$474,000 in 2006 and 2005 and are netted against premium revenues in the accompanying statutory statements of operations.

The Company contracts with United Resource Network, a division of UHS, to provide access to a network of transplant providers for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$308,000 in 2006 and \$115,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations.

The Company has a contact with Coordinated Vision Care, a division of UHS, to provide administrative services related to vision benefit management and claims processing for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$50,613 in 2006 and \$26,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations.

The Company contracts with ACN Group, Inc., a wholly owned subsidiary of UHS, to provide chiropractic and physical therapy services for its enrollees. Fees related to this agreement, which are calculated on a per member per month basis, of approximately \$327,908 in 2006 and \$145,000 in 2005 are included in medical services expenses in the accompanying statutory statements of operations.

At December 31, 2006 and 2005, the Company reported a related party payable of \$5,565,000 and \$1,474,000 respectively, which is included in the statutory statements of admitted assets, liabilities, and capital and surplus. The balances are generally settled within 90 days from the incurred date. Amounts not settled within 90 days are considered a non-admitted asset and are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus.

G.

N/A

H.

N/A

I.

N/A

J.

N/A

Note 11 - Debt

N/A

Note 12 – Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

N/A

Note 13 – Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

NOTES TO FINANCIAL STATEMENTS

- 1) The Company has 100 shares authorized and 10 shares issued and outstanding of no par value common stock. The Company has no preferred stock outstanding.

Payment of dividends may be restricted by the Rhode Island Department of Business Regulation Insurance Division and Rhode Island law which generally requires that dividends be paid out of accumulated surplus.

The Company received approval from the Rhode Island Department of Business Regulation Insurance Division to distribute a dividend of \$17,100,000 in 2006 and \$13,436,132 in 2005 to its sole shareholder, UHS. The Company paid these amounts in full in October 2006 and September 2005.

- 2) N/A
- 3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited to the amount of prior year net income as shown as on page 4, line 32.
- 4) In addition to the limitation in (3), no dividends may be paid by the Company without the prior approval of the Insurance Superintendent of the State of Rhode Island.
- 5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 6) N/A
- 7) There were no amounts of stock held by the Company for special purposes.
- 8) There were no special surplus funds.
- 9) The portion of unassigned funds (surplus) represented or (reduced) by each item below is as follows:
- | | |
|--|----------------|
| a) Unrealized gains and losses | \$ 0 |
| b) Nonadmitted asset values | \$ (1,033,342) |
| c) Separate account business | \$ 0 |
| d) Asset valuation reserves | \$ 0 |
| e) Reinsurance in unauthorized companies | \$ 0 |
- 10) Not applicable
- 11) Not applicable
- 12) Not applicable

Note 14 – Contingencies

A.

The Company is involved in legal actions which arise in the ordinary course of its business. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect upon the financial position or results of operations of the Company.

B.

N/A

C.

N/A

D.

N/A

E.

N/A

Note 15 – Leases

N/A

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

N/A

NOTES TO FINANCIAL STATEMENTS

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

N/A

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

N/A

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

N/A

Note 20 – September 11 Events

1) The events of September 11 had no material impact on the claims incurred by the Company.

2) N/A

3) N/A

4) N/A

Note 21 – Other Items

N/A

Note 22 – Events Subsequent

N/A

Note 23 – Reinsurance

A.

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same insurer, exceed the total direct premium collected under the reinsured policies? No

Section 3 – Ceded Reinsurance Report – Part B

- (1) What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. N/A
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No

B. N/A

C. N/A

NOTES TO FINANCIAL STATEMENTS

Note 24 – Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company has Medicare business which is subject to a retrospective rating feature relating to Part D premiums. The Company has estimated accrued retrospective premiums related to Part D premiums based on guidelines determined by the Centers for Medicare and Medicaid Services (“CMS”). The formula is tiered and based on bid medical loss ratio.

B. The Company records accrued retrospective premium on line 3 – change in unearned premium reserves and reserve for rate credits on page 4 - Statement of Revenue and Expenses.

C. As of December 31, 2006, the amount of Part D premium subject to retrospective rating was \$16,561,652 representing 4.5% of total net premiums written.

Note 25 – Change in Incurred Claims and Claim Adjustment Expenses

The provision for claims and claim adjustment expenses attributable to prior year incurrals developed favorably by \$4.1 million in 2006 as actual health care claims were lower than those anticipated when the reserves were initially established.

Note 26 – Intercompany Pooling Arrangements

N/A

Note 27 – Structured Settlements

N/A

Note 28 – Health Care Receivables

A.

N/A

B.

N/A

Note 29 – Participating Policies

N/A

Note 30 – Premium Deficiency Reserves

As of December 31, 2006, the Company had a liability of \$562,000 for premium deficiency reserves, all of which was related to conversion groups. As of December 31, 2005, the Company had a liability of \$352,000 for premium deficiency reserves, all of which was related to conversion groups. Premium deficiency reserves are included in medical payable in the statutory statements of admitted assets, liabilities, and capital and surplus. The Company did not consider anticipated investment income when calculating its premium deficiency reserve.

Note 31 – Anticipated Salvage and Subrogation

N/A

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | |
|---|---------------------------|-----------------|---|-----------------|
| | 1 Amount | 2 Percentage | 3 Amount | 4 Percentage |
| 1. Bonds: | | | | |
| 1.1 U.S. treasury securities | 4,294,818 | 2.810 | 4,294,818 | 2.810 |
| 1.2 U.S. government agency obligations (excluding mortgage-backed securities): | | | | |
| 1.21 Issued by U.S. government agencies | | 0.000 | | 0.000 |
| 1.22 Issued by U.S. government sponsored agencies | 1,623,587 | 1.062 | 1,623,587 | 1.062 |
| 1.3 Foreign government (including Canada, excluding mortgaged-backed securities) | | 0.000 | | 0.000 |
| 1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.: | | | | |
| 1.41 States, territories and possessions general obligations | 4,588,205 | 3.002 | 4,588,205 | 3.002 |
| 1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations | 13,742,912 | 8.990 | 13,742,912 | 8.990 |
| 1.43 Revenue and assessment obligations | 22,078,110 | 14.443 | 22,078,110 | 14.443 |
| 1.44 Industrial development and similar obligations | | 0.000 | | 0.000 |
| 1.5 Mortgage-backed securities (includes residential and commercial MBS): | | | | |
| 1.51 Pass-through securities: | | | | |
| 1.511 Issued or guaranteed by GNMA | 85,026 | 0.056 | 85,026 | 0.056 |
| 1.512 Issued or guaranteed by FNMA and FHLMC | 10,968,235 | 7.175 | 10,968,235 | 7.175 |
| 1.513 All other | | 0.000 | | 0.000 |
| 1.52 CMOs and REMICs: | | | | |
| 1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA | 2,611,633 | 1.708 | 2,611,633 | 1.708 |
| 1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 | 9,147,145 | 5.984 | 9,147,145 | 5.984 |
| 1.523 All other | 2,147,433 | 1.405 | 2,147,433 | 1.405 |
| 2. Other debt and other fixed income securities (excluding short-term): | | | | |
| 2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) | 15,792,910 | 10.332 | 15,792,910 | 10.332 |
| 2.2 Unaffiliated foreign securities | 638,503 | 0.418 | 638,503 | 0.418 |
| 2.3 Affiliated securities | | 0.000 | | 0.000 |
| 3. Equity interests: | | | | |
| 3.1 Investments in mutual funds | | 0.000 | | 0.000 |
| 3.2 Preferred stocks: | | | | |
| 3.21 Affiliated | | 0.000 | | 0.000 |
| 3.22 Unaffiliated | | 0.000 | | 0.000 |
| 3.3 Publicly traded equity securities (excluding preferred stocks): | | | | |
| 3.31 Affiliated | | 0.000 | | 0.000 |
| 3.32 Unaffiliated | 23,443,101 | 15.336 | 23,443,101 | 15.336 |
| 3.4 Other equity securities: | | | | |
| 3.41 Affiliated | | 0.000 | | 0.000 |
| 3.42 Unaffiliated | | 0.000 | | 0.000 |
| 3.5 Other equity interests including tangible personal property under lease: | | | | |
| 3.51 Affiliated | | 0.000 | | 0.000 |
| 3.52 Unaffiliated | | 0.000 | | 0.000 |
| 4. Mortgage loans: | | | | |
| 4.1 Construction and land development | | 0.000 | | 0.000 |
| 4.2 Agricultural | | 0.000 | | 0.000 |
| 4.3 Single family residential properties | | 0.000 | | 0.000 |
| 4.4 Multifamily residential properties | | 0.000 | | 0.000 |
| 4.5 Commercial loans | | 0.000 | | 0.000 |
| 4.6 Mezzanine real estate loans | | 0.000 | | 0.000 |
| 5. Real estate investments: | | | | |
| 5.1 Property occupied by the company | | 0.000 | 0 | 0.000 |
| 5.2 Property held for the production of income (including \$ of property acquired in satisfaction of debt) | | 0.000 | 0 | 0.000 |
| 5.3 Property held for sale (including \$ property acquired in satisfaction of debt) | | 0.000 | 0 | 0.000 |
| 6. Contract loans | | 0.000 | 0 | 0.000 |
| 7. Receivables for securities | | 0.000 | 0 | 0.000 |
| 8. Cash, cash equivalents and short-term investments | 41,699,630 | 27.279 | 41,699,630 | 27.279 |
| 9. Other invested assets | | 0.000 | | 0.000 |
| 10. Total invested assets | 152,861,248 | 100.000 | 152,861,248 | 100.000 |

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? Rhode Island.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2000
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).01/19/2003
- 3.4 By what department or departments? Rhode Island Department of Business Regulation
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
| | | |
| | | |
| | | |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |
| | |

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 OTS | 6 FDIC | 7 SEC |
|-----------------------|--------------------------------|----------|----------|----------|-----------|----------|
| Exante Bank, Inc..... | Salt Lake City, Utah..... | | | | Yes. | |

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Minneapolis, MN
- 10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....
Allen J. Sorbo, President, Chief Executive Officer, and Chief Actuary of United Healthcare Insurance Company, an affiliate of UnitedHealthcare of New England, Inc., Hartford, CT
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 - 11.11 Name of real estate holding company
 - 11.12 Number of parcels involved.....
 - 11.13 Total book/adjusted carrying value..... \$.....
- 11.2 If yes, provide explanation
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA []

BOARD OF DIRECTORS

- 13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
- 14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
- 15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?..... Yes [X] No []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.11 To directors or other officers .. \$.....0
 - 16.12 To stockholders not officers ... \$.....0
 - 16.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.21 To directors or other officers ... \$.....0
 - 16.22 To stockholders not officers \$.....0
 - 16.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 17.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
 - 17.21 Rented from others \$.....
 - 17.22 Borrowed from others \$.....
 - 17.23 Leased from others \$.....
 - 17.24 Other \$.....
- 18.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 18.2 If answer is yes,
 - 18.21 Amount paid as losses or risk adjustment \$.....
 - 18.22 Amount paid as expenses \$.....
 - 18.23 Other amounts paid \$.....
- 19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount:..... \$.....

GENERAL INTERROGATORIES

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

20.2 If no, give full and complete information relating thereto:

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

| | | |
|--|--|----------|
| | 21.21 Loaned to others | \$ |
| | 21.22 Subject to repurchase agreements | \$ |
| | 21.23 Subject to reverse repurchase agreements | \$ |
| | 21.24 Subject to dollar repurchase agreements | \$ |
| | 21.25 Subject to reverse dollar repurchase agreements | \$ |
| | 21.26 Pledged as collateral | \$ |
| | 21.27 Placed under option agreements | \$ |
| | 21.28 Letter stock or other securities restricted as to sale ... | \$ |
| | 21.29 Other | \$ |

21.3 For category (21.28) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |
| | | |
| | | |
| | | |

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [X] NA []
If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No []

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|--|
| State Street Bank..... | 801 Pennsylvania, Kansas City, MO 64105..... |

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 Name(s) | 2 Location(s) | 2 Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |
| | | |

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No []

24.04 If yes, give full and complete information relating thereto:

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|--------------------|---------------------|-------------|
| | | | |

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 Central Registration Depository Number(s) | 2 Name | 2 Address |
|--|---|---------------------------------------|
| 104518..... | Deutsche Investment Management Americas Inc. | 345 Park Ave, New York, NY 10154..... |

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No []

25.2 If yes, complete the following schedule:

| 1 CUSIP # | 2 Name of Mutual Fund | 3 Book/Adjusted Carrying Value |
|---------------|--------------------------|-----------------------------------|
| | | |
| | | |
| 25.2999 TOTAL | | 0 |

25.3 For each mutual fund listed in the table above, complete the following schedule:

| 1 Name of Mutual Fund (from above table) | 2 Name of Significant Holding Of the Mutual Fund | 3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4 Date of Valuation |
|--|--|---|------------------------|
| | | | |
| | | | |

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

| | 1 Statement (Admitted) Value | 2 Fair Value | 3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+) |
|----------------------------|------------------------------------|-----------------|--|
| 26.1 Bonds..... | 87,718,517 | 88,558,575 | 840,058 |
| 26.2 Preferred stocks..... | 0 | | 0 |
| 26.3 Totals | 87,718,517 | 88,558,575 | 840,058 |

26.4 Describe the sources or methods utilized in determining fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, GAAP pricing was used. GAAP pricing was obtained from HUB which is an external data sources vendor.

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$0

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |

29.1 Amount of payments for legal expenses, if any?.....\$18,776

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|-------------------------------|------------------|
| Leonard Street & Deinard..... | 9,269 |

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |
| | |

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U. S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$0
- 1.65 Total incurred claims \$0
- 1.66 Number of covered lives 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives 0

2. Health Test:

| | 1 | | 2 |
|-----------------------------|---------------------|----|------------------|
| | Current Year | | Prior Year |
| 2.1 Premium Numerator | \$364,791,435 | \$ |344,919,147 |
| 2.2 Premium Denominator | \$364,791,435 | \$ |344,919,147 |
| 2.3 Premium Ratio (2.1/2.2) |1.000 | |1.000 |
| 2.4 Reserve Numerator | \$44,117,217 | \$ |44,964,329 |
| 2.5 Reserve Denominator | \$44,558,248 | \$ |44,964,329 |
| 2.6 Reserve Ratio (2.4/2.5) |0.990 | |1.000 |

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$
- 5.32 Medical Only \$
- 5.33 Medicare Supplement \$
- 5.34 Dental \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes [] No [X]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 20,500
- 8.2 Number of providers at end of reporting year 20,562
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [X] No []
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract? Yes [] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$
- 10.22 Amount actually paid for year bonuses \$
- 10.23 Maximum amount payable withholds \$
- 10.24 Amount actually paid for year withholds \$
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No []
- 11.13 An Individual Practice Association (IPA), or, Yes [] No []
- 11.14 A Mixed Model (combination of above) ? Yes [] No []
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [] No []
- 11.3 If yes, show the name of the state requiring such net worth. Rhode Island
- 11.4 If yes, show the amount required. \$ 32,379,649
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No []
- 11.6 If the amount is calculated, show the calculation.
- Minimum Net Worth Requirement is 275% of Authorized Control Level (ACL)
12. List service areas in which reporting entity is licensed to operate:

| 1 Name of Service Area |
|------------------------------|
| Rhode Island Counties:..... |
| Kent |
| Providence..... |
| Washington..... |
| Bristol..... |
| Newport..... |
| Massachusetts Counties:..... |
| Barnstable..... |
| Berkshire..... |
| Bristol..... |
| Dukes..... |
| Essex..... |
| Franklin..... |
| Hampden..... |
| Hampshire..... |
| Middlesex..... |
| Nantucket..... |
| Norfolk..... |
| Plymouth..... |
| Suffolk..... |
| Worcester..... |

FIVE-YEAR HISTORICAL DATA

| | 1 2006 | 2 2005 | 3 2004 | 4 2003 | 5 2002 |
|---|-------------|-------------|-------------|-------------|-------------|
| Balance Sheet (Pages 2 and 3) | | | | | |
| 1. Total admitted assets (Page 2, Line 26) | 171,649,840 | 165,780,249 | 169,122,319 | 178,625,494 | 152,277,001 |
| 2. Total liabilities (Page 3, Line 22) | 81,437,184 | 74,594,141 | 81,206,701 | 78,839,764 | 68,941,775 |
| 3. Statutory surplus | 32,379,649 | 33,924,652 | 34,071,051 | 33,769,892 | 27,617,020 |
| 4. Total capital and surplus (Page 3, Line 31) | 90,212,656 | 91,186,107 | 87,915,618 | 99,785,730 | 83,335,226 |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 362,528,833 | 345,030,172 | 302,655,849 | 464,995,531 | 435,866,562 |
| 6. Total medical and hospital expenses (Line 18) | 294,860,468 | 278,115,221 | 238,380,503 | 383,061,792 | 350,249,545 |
| 7. Claims adjustment expenses (Line 20) | 9,386,512 | 6,661,560 | 12,337,265 | 14,264,263 | 13,921,977 |
| 8. Total administrative expenses (Line 21) | 41,643,263 | 42,276,739 | 33,557,833 | 49,639,544 | 42,423,002 |
| 9. Net underwriting gain (loss) (Line 24) | 16,428,240 | 17,955,852 | 18,447,587 | 17,561,584 | 28,872,038 |
| 10. Net investment gain (loss) (Line 27) | 7,905,468 | 5,976,211 | 1,728,545 | 7,758,151 | 6,503,589 |
| 11. Total other income (Lines 28 plus 29) | 0 | 398,848 | 0 | 0 | 0 |
| 12. Net income (loss) (Line 32) | 16,809,229 | 17,077,911 | 13,436,132 | 16,534,735 | 24,174,099 |
| Risk - Based Capital Analysis | | | | | |
| 13. Total adjusted capital | 90,212,656 | 91,186,107 | 87,915,618 | 99,785,730 | 83,335,226 |
| 14. Authorized control level risk-based capital | 11,774,418 | 14,155,654 | 12,389,473 | 16,487,141 | 13,808,510 |
| Enrollment (Exhibit 1) | | | | | |
| 15. Total members at end of period (Column 5, Line 7) | 113,746 | 131,112 | 145,757 | 157,136 | 155,153 |
| 16. Total member months (Column 6, Line 7) | 1,427,896 | 1,631,149 | 1,817,113 | 1,852,646 | 1,845,796 |
| Operating Percentage (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 18. Total hospital and medical plus other non-health (Lines 18 plus 19) | 81.3 | 80.6 | 78.8 | 85.0 | 80.3 |
| 19. Cost containment expenses | 0.4 | 0.4 | 0.9 | XXX | XXX |
| 20. Other claims adjustment expenses | 2.2 | 1.5 | 4.1 | 3.2 | 3.2 |
| 21. Total underwriting deductions (Line 23) | 95.5 | 94.8 | 93.9 | 99.3 | 93.3 |
| 22. Total underwriting gain (loss) (Line 24) | 4.5 | 5.2 | 6.1 | 3.9 | 6.6 |
| Unpaid Claims Analysis | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 23. Total claims incurred for prior years (Line 13, Col. 5) | 40,058,534 | 30,148,605 | 40,469,096 | 39,392,568 | 43,500,920 |
| 24. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)] | 44,144,425 | 36,715,500 | 52,412,848 | 47,250,373 | 56,230,565 |
| Investments In Parent, Subsidiaries And Affiliates | | | | | |
| 25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) | 0 | 0 | 0 | 0 | 0 |
| 28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) | 0 | 0 | 0 | 0 | 0 |
| 29. Affiliated mortgage loans on real estate | 0 | 0 | 0 | 0 | 0 |
| 30. All other affiliated | 0 | 0 | 0 | 0 | 0 |
| 31. Total of above Lines 25 to 30 | 0 | 0 | 0 | 0 | 0 |

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

| Description | 1 Book/Adjusted Carrying Value | 2 Fair Value | 3 Actual Cost | 4 Par Value of Bonds |
|--|--|--|--|--|
| BONDS | | | | |
| Governments (Including all obligations guaranteed by governments) | 1. United States 6,003,432 2. Canada 0 3. Other Countries 0 4. Totals 6,003,432 | 5,955,838 0 0 5,955,838 | 6,035,401 0 0 6,035,401 | 5,559,390 0 0 5,559,390 |
| States, Territories and Possessions (Direct and guaranteed) | 5. United States 4,588,205 6. Canada 0 7. Other Countries 0 8. Totals 4,588,205 | 4,755,310 0 0 4,755,310 | 4,814,333 0 0 4,814,333 | 4,500,000 0 0 4,500,000 |
| Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 9. United States 13,742,912 10. Canada 0 11. Other Countries 0 12. Totals 13,742,912 | 14,022,892 0 0 14,022,892 | 14,088,381 0 0 14,088,381 | 13,295,000 0 0 13,295,000 |
| Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 13. United States 36,533,464 14. Canada 0 15. Other Countries 0 16. Totals 36,533,464 | 36,965,301 0 0 36,965,301 | 37,090,873 0 0 37,090,873 | 35,538,361 0 0 35,538,361 |
| Public Utilities (unaffiliated) | 17. United States 399,270 18. Canada 0 19. Other Countries 0 20. Totals 399,270 | 394,112 0 0 394,112 | 399,213 0 0 399,213 | 400,000 0 0 400,000 |
| Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated) | 21. United States 25,812,733 22. Canada 0 23. Other Countries 638,503 24. Totals 26,451,236 | 25,837,922 0 627,200 26,465,122 | 25,922,131 0 638,099 26,560,230 | 25,689,788 0 640,000 26,329,788 |
| Parent, Subsidiaries and Affiliates | 25. Totals 0 26. Total Bonds 87,718,517 | 0 88,558,575 | 0 88,988,430 | 0 85,622,539 |
| PREFERRED STOCKS | | | | |
| Public Utilities (unaffiliated) | 27. United States 0 28. Canada 0 29. Other Countries 0 30. Totals 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 |
| Banks, Trust and Insurance Companies (unaffiliated) | 31. United States 0 32. Canada 0 33. Other Countries 0 34. Totals 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 |
| Industrial and Miscellaneous (unaffiliated) | 35. United States 0 36. Canada 0 37. Other Countries 0 38. Totals 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 |
| Parent, Subsidiaries and Affiliates | 39. Totals 0 40. Total Preferred Stocks 0 | 0 0 | 0 0 | 0 0 |
| COMMON STOCKS | | | | |
| Public Utilities (unaffiliated) | 41. United States 0 42. Canada 0 43. Other Countries 0 44. Totals 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 |
| Banks, Trust and Insurance Companies (unaffiliated) | 45. United States 0 46. Canada 0 47. Other Countries 0 48. Totals 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 |
| Industrial and Miscellaneous (unaffiliated) | 49. United States 23,443,101 50. Canada 0 51. Other Countries 0 52. Totals 23,443,101 | 23,443,101 0 0 23,443,101 | 23,443,101 0 0 23,443,101 | 23,443,101 0 0 23,443,101 |
| Parent, Subsidiaries and Affiliates | 53. Totals 0 54. Total Common Stocks 23,443,101 | 0 23,443,101 | 0 23,443,101 | 0 23,443,101 |
| | 55. Total Stocks 23,443,101 56. Total Bonds and Stocks 111,161,618 | 23,443,101 112,001,676 | 23,443,101 112,431,531 | 23,443,101 111,161,617 |

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | |
|--|--|
| 1. Book/adjusted carrying value of bonds and stocks, prior year..... 151,486,852 | 7. Amortization of premium..... 388,447 |
| 2. Cost of bonds and stocks acquired, Column 7, Part 3 315,035,568 | 8. Foreign Exchange Adjustment: |
| 3. Accrual of discount..... 45,959 | 8.1 Column 15, Part 1 0 |
| 4. Increase (decrease) by adjustment:..... | 8.2 Column 19, Part 2, Sec. 1..... 0 |
| 4.1 Columns 12 - 14, Part 1..... 0 | 8.3 Column 16, Part 2, Sec. 2 0 |
| 4.2 Columns 15 - 17, Part 2, Sec. 1..... 0 | 8.4 Column 15, Part 4 0 |
| 4.3 Column 15, Part 2, Sec. 2..... 0 | 9. Book/adjusted carrying value at end of current period 111,161,617 |
| 4.4 Columns 11 - 13, Part 4 0 | 10. Total valuation allowance..... |
| 5. Total gain (loss), Column 19, Part 4 (86,478) | 11. Subtotal (Lines 9 plus 10) 111,161,617 |
| 6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 354,931,837 | 12. Total nonadmitted amounts..... |
| | 13. Statement value of bonds and stocks, current period 111,161,617 |

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

| State, Etc. | 1 Guaranty Fund (Yes or No) | 2 Is Insurer Licensed (Yes or No) | Direct Business Only | | | | | 8 Property/ Casualty Premiums |
|---|-----------------------------------|--|---------------------------------------|------------------------------|----------------------------|---|---|--|
| | | | 3 Accident & Health Premiums | 4 Medicare Title XVIII | 5 Medicaid Title XIX | 6 Federal Employees Health Benefits Program Premiums | 7 Life & Annuity Premiums & Deposit Type Contract Funds | |
| 1. Alabama AL | No | No | | | | | | |
| 2. Alaska AK | No | No | | | | | | |
| 3. Arizona AZ | No | No | | | | | | |
| 4. Arkansas AR | No | No | | | | | | |
| 5. California CA | No | No | | | | | | |
| 6. Colorado CO | No | No | | | | | | |
| 7. Connecticut CT | No | No | | | | | | |
| 8. Delaware DE | No | No | | | | | | |
| 9. District of Columbia DC | No | No | | | | | | |
| 10. Florida FL | No | No | | | | | | |
| 11. Georgia GA | No | No | | | | | | |
| 12. Hawaii HI | No | No | | | | | | |
| 13. Idaho ID | No | No | | | | | | |
| 14. Illinois IL | No | No | | | | | | |
| 15. Indiana IN | No | No | | | | | | |
| 16. Iowa IA | No | No | | | | | | |
| 17. Kansas KS | No | No | | | | | | |
| 18. Kentucky KY | No | No | | | | | | |
| 19. Louisiana LA | No | No | | | | | | |
| 20. Maine ME | No | No | | | | | | |
| 21. Maryland MD | No | No | | | | | | |
| 22. Massachusetts MA | No | Yes | 63,110,505 | | | | | |
| 23. Michigan MI | No | No | | | | | | |
| 24. Minnesota MN | No | No | | | | | | |
| 25. Mississippi MS | No | No | | | | | | |
| 26. Missouri MO | No | No | | | | | | |
| 27. Montana MT | No | No | | | | | | |
| 28. Nebraska NE | No | No | | | | | | |
| 29. Nevada NV | No | No | | | | | | |
| 30. New Hampshire NH | No | No | | | | | | |
| 31. New Jersey NJ | No | No | | | | | | |
| 32. New Mexico NM | No | No | | | | | | |
| 33. New York NY | No | No | | | | | | |
| 34. North Carolina NC | No | No | | | | | | |
| 35. North Dakota ND | No | No | | | | | | |
| 36. Ohio OH | No | No | | | | | | |
| 37. Oklahoma OK | No | No | | | | | | |
| 38. Oregon OR | No | No | | | | | | |
| 39. Pennsylvania PA | No | No | | | | | | |
| 40. Rhode Island RI | No | Yes | 188,237,634 | 175,751,653 | 89,723,020 | | | |
| 41. South Carolina SC | No | No | | | | | | |
| 42. South Dakota SD | No | No | | | | | | |
| 43. Tennessee TN | No | No | | | | | | |
| 44. Texas TX | No | No | | | | | | |
| 45. Utah UT | No | No | | | | | | |
| 46. Vermont VT | No | No | | | | | | |
| 47. Virginia VA | No | No | | | | | | |
| 48. Washington WA | No | No | | | | | | |
| 49. West Virginia WV | No | No | | | | | | |
| 50. Wisconsin WI | No | No | | | | | | |
| 51. Wyoming WY | No | No | | | | | | |
| 52. American Samoa AS | No | No | | | | | | |
| 53. Guam GU | No | No | | | | | | |
| 54. Puerto Rico PR | No | No | | | | | | |
| 55. U.S. Virgin Islands VI | No | No | | | | | | |
| 56. Northern Mariana Islands MP | | | | | | | | |
| 57. Canada CN | No | No | | | | | | |
| 58. Aggregate other alien OT | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | XXX | 251,348,139 | 175,751,653 | 89,723,020 | 0 | 0 | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | XXX | | | | | | |
| 61. Total (Direct Business) | XXX | (a) 2 | 251,348,139 | 175,751,653 | 89,723,020 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | XXX | XXX | | | | | | |
| 5802. | XXX | XXX | | | | | | |
| 5803. | XXX | XXX | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

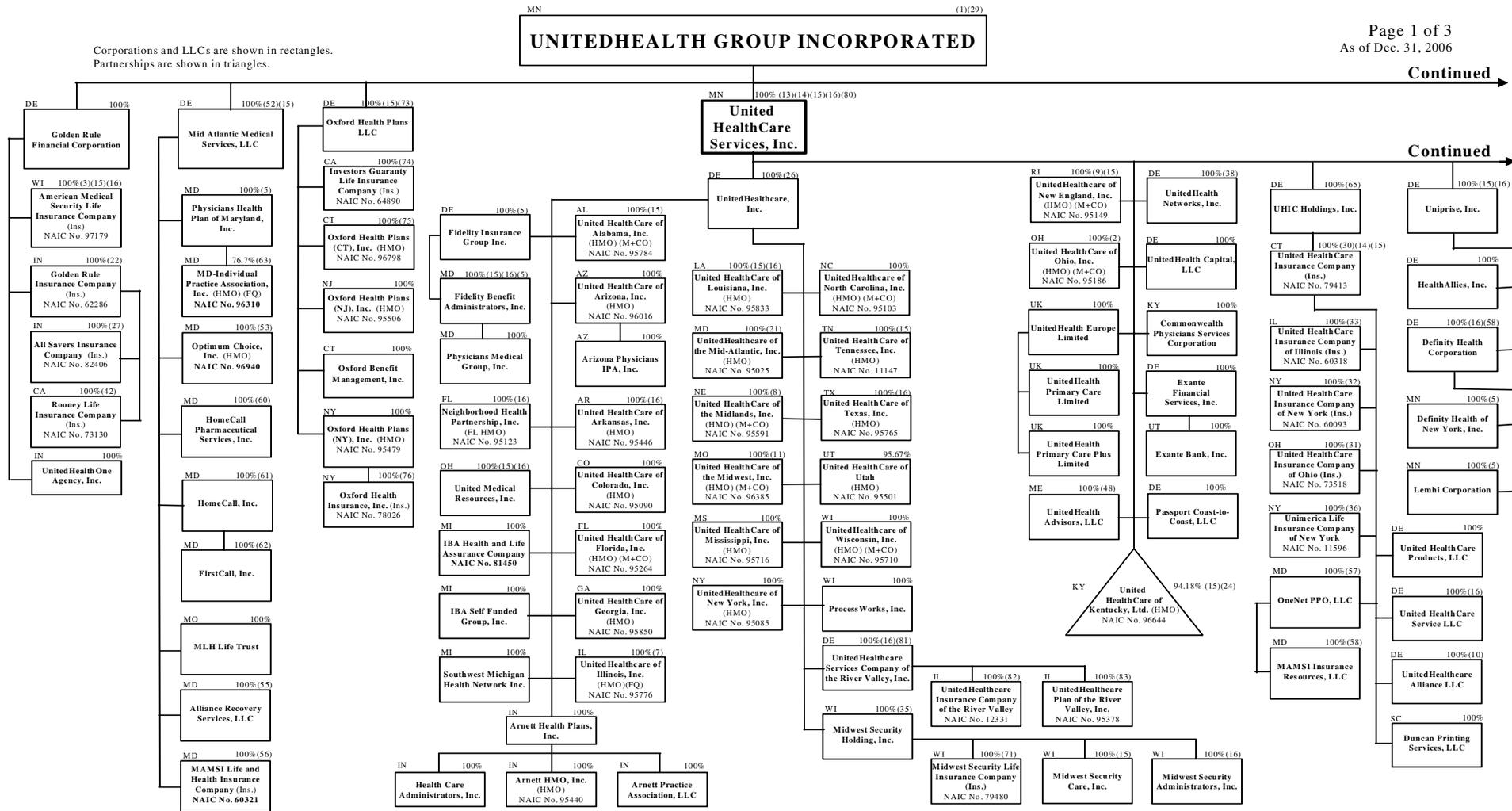
Explanation of basis of allocation by states, premiums by state, etc.:

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Corporations and LLCs are shown in rectangles.
Partnerships are shown in triangles.



Continued

Continued

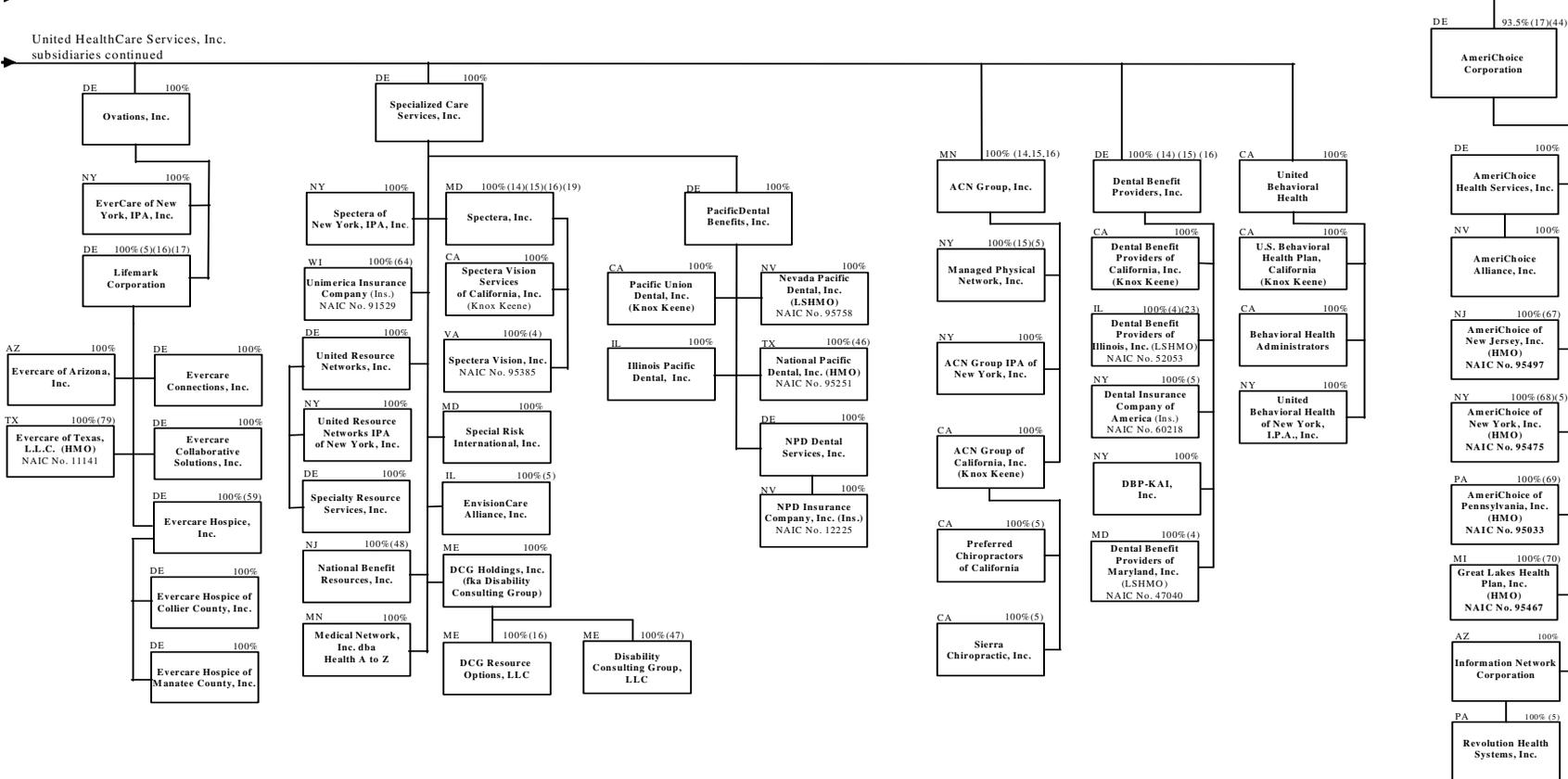
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SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated subsidiaries continued Continued

United HealthCare Services, Inc. subsidiaries continued

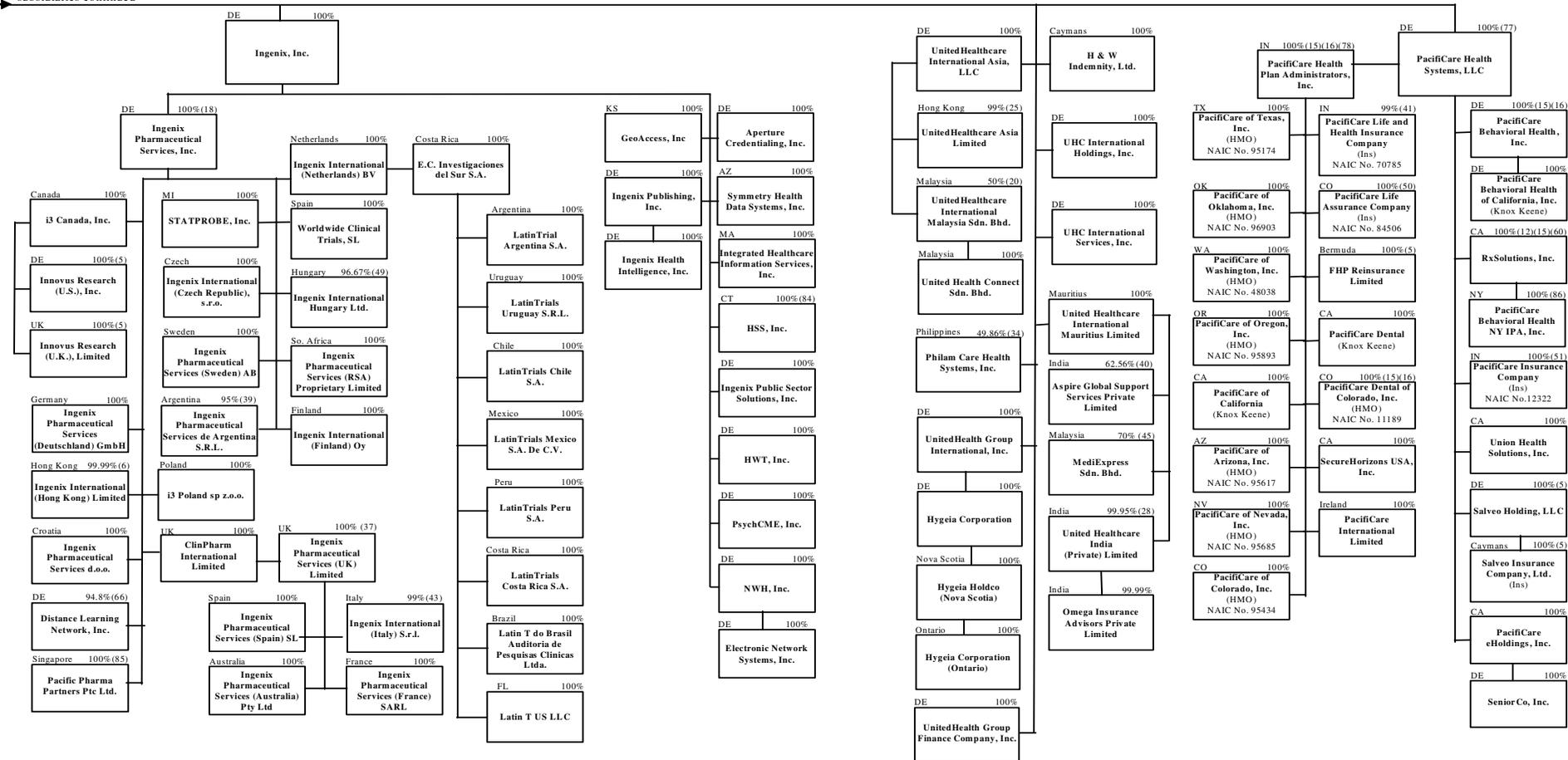


52.1

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
subsidiaries continued



52.2