



Whyte Hirschboeck Dudek S.C.

Bruce G. Arnold  
414-978-5501  
barnold@whdlaw.com

September 20, 2005

Tim Vande Hey  
Insurance Financial Examiner-Advanced  
Bureau of Financial Analysis and Examinations  
State of Wisconsin Office of the Commissioner of Insurance  
125 South Webster Street  
P.O. Box 7873  
Madison, Wisconsin 53707-7873

2005 SEP 20 PM 12:37  
RECEIVED  
WISCONSIN COMMISSIONER  
OF INSURANCE

Re: Acquisition of Control of American Medical Security Life Insurance Company  
("AMSLIC") by UnitedHealth Group Incorporated (the "Applicant")  
(Case No. 05-C29696)

Dear Mr. Vande Hay:

On July 8, 2005, UnitedHealth Group Incorporated (the "Applicant") filed a Form A Statement Regarding Acquisition of Control of or Merger with a Domestic Insurer with the Office of the Commissioner of Insurance ("OCI") seeking prior approval for the acquisition of control of American Medical Security Life Insurance Company ("AMSLIC"). In connection with the review of the proposed transaction, we provided a response to your request for documentation with supplemental materials on September 14, 2005. In connection with that letter we are pleased to provide you with the following additional supplemental materials. Please note that the questions are numbered to correspond with the applicable question provided in your September 6, 2005 letter requesting additional information.

### Requests for Additional Documentation

- Please provide an analysis of the impact of the proposed transaction on the competitive environment in Wisconsin. This analysis is intended for use as an exhibit in the upcoming hearing and should be detailed enough to identify small business concentrations that may be impacted as a result of the acquisition. Please include a separate analysis of the effect of the acquisition on the small employer market, including a discussion of the small employer business in Wisconsin of all affiliates. Include in this analysis business written to Wisconsin small employers through associations, trusts or other vehicles, regardless of whether the premium is reported as Wisconsin business. Also include a description of the marketing plan for small employer business for all affiliates after the proposed acquisition.*

Please find attached as Exhibit 2(a) an analysis of the impact of the proposed transaction on the competitive environment in Wisconsin. Please note that we are requesting confidential treatment of Exhibit 2(a). In addition, as requested, the Applicant has analyzed the effect of the transaction on sales to “small group” customers<sup>1</sup>, measuring the impact in two ways: (a) the estimated combined share that the small group membership of the Applicant and PacifiCare Health Systems, Inc. (“PacifiCare”) will represent of all commercially insured small group employees in Wisconsin; and (b) the estimated combined share that the Applicant’s and PacifiCare’s small group and association membership will represent of all commercially insurable small group employees in Wisconsin.

On either basis, PHS has a tiny share of small group membership (around 1%) and the parties’ combined share and change in Herfindahl-Hirschmann Index (“HHI”) are well below levels that would suggest any competitive issue. Specifically, the parties’ combined share is less than 16% and the change in HHI is less than 21 points, well below levels that would suggest any competitive issues (according to the Horizontal Merger Guidelines, published jointly by the U.S. Department of Justice and the Federal Trade Commission, the change in HHI is a useful indicator to determine “likely potential competitive effects of a merger”). Please find attached as Exhibit 2(b) the Applicant’s and PacifiCare’s estimated share of small group commercially insured and commercially insurable small group employees in Wisconsin as described above.

As to the request for a description of post-closing marketing plans, the parties have only had high level discussions regarding merger integration planning due to anti-trust and other considerations, and have not prepared an integrated marketing plan for small group business post-merger. Such a plan will be developed following the closing of the transaction.

3. *Please describe material pending litigation in which the parties to the proposed acquisition are involved.*

Please see find attached as Exhibit 3 a description of the material pending litigation for both the Applicant and PacifiCare. Please note that we are requesting confidential treatment of Exhibit 3.

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<sup>1</sup> Including sales to firms with 1-99 employees, which is how Dun and Bradstreet, an accepted industry data source for calculating small group insurance shares, measures employees within “small group” firms.

6. *Please send biographical affidavits for the following directors and officers:*

c. *Reed V. Tuckson, M.D.*

Please find attached as Exhibit 6(c) the biographical affidavit for Reed V. Tuckson, M.D. Please note that we are requesting confidential treatment of the supplemental information pages to the biographical affidavit.

7. *Describe the acquirer's plans to ensure sound, customer-friendly service transitions, the preservation of audit trails and maintenance of those records that the laws require to be maintained on a permanent basis. Include a description of the operating units, personnel and procedures that will be in place to address these topics. Who, following approval of the acquisition of control, would have ultimate responsibility to ensure that AMSLIC, and all persons under their supervision who will perform services for AMSLIC, would comply with all Wisconsin Statutes and regulations applicable to the company including, but not limited to, the requirements of ss. 601.42, 601.43, and 601.44, Wis. Stats., and s. Ins 6.80, Wis. Adm. Code?*

The Applicant is committed to managing the integration of the AMSLIC business operations with a keen focus on minimizing disruptions to its current stakeholders, including the policyholders of AMSLIC. The minimization of any interruption or deterioration in services is one of the key objectives underlying the Applicant's methodology for integration planning and execution. This methodology calls for the establishment of a dedicated integration team which will include functional experts representing each operational component of the combined businesses. Among other things, this team will focus on completing thorough assessments of each of the Applicant's and AMSLIC's respective operations, defining the business risks associated with each phase of the integration and developing strategies to minimize those risks. Prior to initiating any components of the integration, readiness assessments will be performed to ensure minimal service interruption, preservation of audit trails and maintenance of critical business records. As the integration progresses, key indicators will be established and monitored to ensure that acceptable service levels to the combined organization's policyholders and other stakeholders is maintained.

*OCI requests that this individual affirm the following in a written affidavit:*

- a. *the responsibility of the office with respect to ensuring compliance with all applicable Wisconsin Statutes and regulations including, but not limited to, the aforementioned statutes and regulation;*
- b. *the awareness that failure to comply with all applicable Wisconsin Statutes and regulations, including but not limited to, ss. 601.42 and 601.44, Wis. Stats., and s.*

*Ins 6.80, Wis. Adm. Code, may result in forfeiture, and that failure to comply with s. 601.43, Wis. Stats., may result in rehabilitation or liquidation; and,*

- c. the commitment to ensure compliance with all applicable Wisconsin Statutes and regulations including, but not limited to, the aforementioned statutes and regulation.*

The Applicant identifies Steven J. DeRaleau, AMSLIC's current president and chief executive officer, to ensure compliance with all applicable Wisconsin Statutes and regulations. Please find attached as Exhibit 7 the requested affidavit.

- 11. Please file a Consent to Jurisdiction on Form E by UnitedHealth Group Incorporated and PacifiCare Health Systems, LLC.*

Please find attached as Exhibit 11 the Consent to Jurisdiction on Form E by UnitedHealth Group Incorporated and Point Acquisition LLC.

- 12. Under what circumstances would UnitedHealth Group Incorporated anticipate that it would elect to substitute a Delaware business corporation for the limited liability company in the proposed acquisition?*

To further clarify the answer provided in the Applicant's response letter dated, September 14, 2005, while the Applicant currently anticipates that it will not elect to substitute a Delaware business corporation for the limited liability company as described in your question, it has not yet definitely determined that it will not make such an election. The proposed structure of the transaction is a forward merger, with Point Acquisition LLC being the surviving entity. While it is generally less complicated from a legal perspective to effectuate a "reverse merger," the federal income tax rules governing tax-free reorganizations are generally more restrictive for reverse mergers than they are for forward mergers. Among the requirements to qualify for tax-free reorganization treatment applicable to reverse mergers (but not forward mergers) is that at least 80% of the target stock be acquired in exchange for voting stock of the acquiror. For these purposes, under current law, the value of the voting stock relative to all other forms of consideration is measured at the effective time of the merger. Based on the value of the Applicant's common stock on July 6, 2005, the consideration to be received by the PHS shareholders would consist of approximately 70% voting stock and 30% cash.

Accordingly, the acquisition was structured as a forward merger in order to qualify for tax-free reorganization treatment for the stock portion of the merger consideration. However, it is possible that the value of Applicant's common stock at the effective time of the merger will have sufficiently increased so that the value of the Applicant's common stock to be received by PHS shareholders will be 80% or more of the aggregate

consideration to be received. In such event, the parties have preserved the right in Section 1.08 of the Merger Agreement to effectuate the acquisition of PHS through the simpler structure of a reverse merger. If the parties effectuate the acquisition of PHS through the reverse merger, the Applicant will notify the Department as soon as practicable. In either event, PHS or its successor will be a wholly-owned subsidiary of the Applicant as a result of the merger.

25. *What is the anticipated effect of the merger of pension plans on the combined plans' funded status?*

PacifiCare and the Applicant each sponsor 401(k) Plans which are individual account plans. The benefits under these plans equal the value of the individual's account at retirement or employment termination. The 401(k) Plans are funded through a trust, as required by Internal Revenue Code Section 401(a). These plans are not subject to the funding requirements of Section 412 of the Internal Revenue Code and Section 302 of ERISA and the merger will have no effect on the funding of the plans. Neither PacifiCare nor the Applicant sponsor any pension plan subject to the funding requirements of Section 412 of the Internal revenue Code and Section 302 of ERISA. Both PacifiCare and the Applicant sponsor nonqualified plans pension plans for the benefit of a select group of management and highly compensated employees that are exempt from the funding requirements of ERISA and the Internal Revenue Code.

49. *Has UnitedHealth Group Incorporated or any of its subsidiaries made or placed under development any side agreements, written plans, or assurances concerning staff retention, salaries and benefits, or severance packages applicable to the employees of PacifiCare Health System, Inc. and its subsidiaries?*

Other than the arrangements described in the Summary of Senior Management Compensation Arrangements filed with the OCI on August 2, 2005, the only other agreement that the Applicant has in place with PacifiCare executives is an arrangement with five PacifiCare senior executive officers in which, upon termination of employment, such officer will receive a lump sum payment in an amount equal to the full premium for employee-only health, dental and group term life benefit coverages for a 36-month period following termination of employment. The Applicant is considering whether additional actions are necessary to retain mid-level management at PacifiCare who are not currently subject to employment agreements, including forming a retention bonus pool and/or offering standard employment agreements to certain of these individuals. The Applicant has not made any decision or finalized any terms with respect to either a retention bonus pool or the terms of any additional employment agreements. In addition, pursuant to the terms of the merger agreement and the Company Disclosure Letter, PacifiCare has the ability to grant stay bonuses to lower level employees with salary grades of "Director" and below. The maximum amount of stay bonuses in the aggregate will not exceed \$10

million. Employees eligible to receive the stay bonuses are chosen at the discretion of PacifiCare following consultation with the Applicant. PacifiCare is not required to grant any stay bonuses under this provision and has not yet determined whether it will grant any stay bonuses. The benefit arrangements to which the Applicant has committed in connection with the merger are described in greater detail in the Applicant's S-4 Registration Statement, which has been provided to the OCI on September 14, 2005.

*In addition to the responses to the questions above you also requested a summary of the Health Services Agreements between United HealthCare Insurance Company and PacifiCare Health Plan Administrators, Inc.*

In support of their plan to provide nationwide access to healthcare providers and to promote positive customer service, United HealthCare Insurance Company, referred to as UHIC, a wholly owned subsidiary of the Applicant, and PacifiCare Health Plan Administrators, Inc., referred to as PHPA, a wholly owned subsidiary of PacifiCare, have entered into two separate health services agreements on customary terms, which are referred to as the health services agreements. Under the health services agreements, (i) PHPA has agreed, under certain circumstances, to provide certain UHIC customers with access to certain services from certain of PHPA's networks of contracted health care professionals and entities and (ii) UHIC has agreed to provide certain PHPA customers with access to certain of UHIC's networks of contracted health care professionals and entities.

The health services agreements grant reciprocal access to certain of each party's provider networks on customary terms for network management, processing and payment of claims, network fees, patient privacy and other matters related to regulatory compliance. Each of the agreements has a four year term which term automatically renews for successive two year periods unless the agreements are earlier terminated. The agreements may not be terminated prior to the end of the initial four year term except in specified circumstances. In the event of a "Change in Control" of PacifiCare, as defined in the agreements, either party may provide at least 45 days notice to the other party of its election to terminate the health services agreements. Such termination becomes effective upon a "Change in Control", unless such notice is provided by UHIC after the merger agreement has been terminated and a takeover proposal for PacifiCare has been announced, in which case such termination becomes effective on the later of (a) the occurrence of the "Change in Control" or (b) 180 days after the date of a notice from PHPA to UHIC notifying UHIC of the public disclosure of the receipt by PacifiCare of, or PacifiCare entering into, a takeover proposal that would have been within the definition of takeover proposal had the merger agreement remained in effect. In the event of termination following a "Change of Control", UHIC may elect to extend the Health Services Agreements for either a six-month period or two successive six-month periods

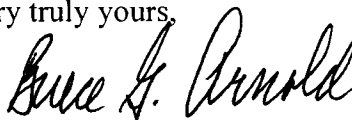
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upon notice and payment of an additional fee for one six-month period or two fees for two successive six-month periods.

Please note that these agreements will be terminated at closing.

Thank you for your review of the supplemental information provided herein. Please do not hesitate to give me a call with any questions or comments, or if we can provide any further information.

Very truly yours,



Bruce G. Arnold

cc: Michael J. McDonnell, Esq., General Counsel, UnitedHealthcare, Inc.  
Nancy Monk, Vice President, State Government Affairs, PacifiCare Health Systems, Inc.  
Robert J. Sullivan, Esq., Skadden, Arps, Slate, Meagher & Flom LLP  
Thomas A. Roberts, Esq., Weil, Gotshal & Manges LLP  
Joseph T. Verdesca, Esq., Weil, Gotshal & Manges LLP  
Kevin G. Fitzgerald, Esq., Foley & Lardner LLP  
Steven J. Junior, Director, Bureau of Financial Analysis and Examinations, Office of the  
Commissioner of Insurance

# **EXHIBIT 2(b)**



## PacifiCare and UnitedHealth 2005 Q2 Small Group Market Share for Wisconsin

State	Employees with health insurance in firm size 1-99 [1]	PacifiCare		UnitedHealth		Combined Share [6]	Change in HHI [7]
		Covered Employees [2]	Share [3]	Covered Employees [4]	Share [5]		
Wisconsin	746,070	7,337	1.0%	110,364	14.8%	15.8%	20

**Notes:**

[1] Source: Dun & Bradstreet 2005 total employees adjusted using MEPS (Medical Expenditure Panel Survey-Insurance Component) "Table II.B.2(2002) Percent of private-sector employees in establishments that offer health insurance by firm size and State: United States, 2002".

[2] PacifiCare, Pacific Life, and AMS Small Group Covered Employees. PacifiCare enrollment data, in the 2-50 size, includes groups of size 2-55, and in the 51-100 size, includes groups of size 56-100.

[3] = [2] / [1]

[4] UnitedHealth Small Group (1-50, 51-99) Covered Employees, Touchpoint Membership, and MidWest Security Membership.

[5] = [4] / [1]

[6] = [3] + [5]

[7] =  $2 * \{[3] * 100\} * \{[5] * 100\}$

## PacifiCare and UnitedHealth 2005 Q2 Small Group Market Share for Wisconsin

State	Employees in firm size 1-99 [1]	PacifiCare		UnitedHealth		Combined Share [6]	Change in HHI [7]
		Covered Subscribers [2]	Share [3]	Covered Subscribers [4]	Share [5]		
Wisconsin	1,106,686	13,104	1.2%	144,209	13.0%	14.2%	9

**Notes:**

[1] Source: Dun & Bradstreet 2005 total employees.

[2] PacifiCare, Pacific Life, AMS Small Group Covered Employees, as well as AMS Individual Membership. PacifiCare enrollment data, in the 2-50 size, includes groups of size 2-55, and in the 51-100 size, includes groups of size 56-100.

[3] = [2] / [1]

[4] UnitedHealth Small Group (1-50, 51-99) Covered Employees, Golden Rule Membership, Touchpoint Membership, and MidWest Security Membership.

[5] = [4] / [1]

[6] = [3] + [5]

[7] =  $2 * \{[3] * 100\} * \{[5] * 100\}$

# **EXHIBIT 6(c)**

**BIOGRAPHICAL AFFIDAVIT**

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). UnitedHealth Group Incorporated 9900 Bren Road East Minnetonka, MN 55343  
Phone: 952-936-1300

Type of entity (i.e. insurance company, premium finance company, etc.): Holding Company

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. a. Affiant's Full Name (Initials Not Acceptable). Reed Vaughn Tuckson, M.D.
- b. Maiden Name (if applicable). N/A
2. a. Have you ever had your name changed? No If yes, give the reason for the change and provide the full name(s).  
N/A
- b. Other names used at any time (including aliases).  
None
3. a. Are you a citizen of the United States? Yes
- b. Are you a citizen of any other country? No If so, what country? N/A
4. Affiant's Occupation or Profession. Executive
5. Affiant's business address 9900 Bren Road East, Minnetonka, Minnesota 55343  
 Business telephone. 952-936-1300
6. Education and Training:

<u>College/University</u>	<u>City/State</u>	<u>Dates Attended</u>	<u>Degree Obtained</u>
<u>Howard University</u>	<u>Washington, DC</u>	<u>1968-1973</u>	<u>BS</u>

<u>Graduate Studies: College/University</u>	<u>City/State</u>	<u>Dates Attended</u>	<u>Degree Obtained</u>
<u>Georgetown University School of Medicine</u>	<u>Washington, DC</u>	<u>1973-1978</u>	<u>MD</u>
<u>Wharton School of Business</u>	<u>Philadelphia, PA</u>	<u>1981-1983</u>	<u>N/A</u>

<u>Other Training: Name</u>	<u>City/State</u>	<u>Dates Attended</u>	<u>Degree/Certification Obtained</u>
<u>University of Pennsylvania Hospital</u>	<u>Philadelphia, PA</u>	<u>1978-1979</u>	<u>Intern</u>
<u>University of Pennsylvania Hospital</u>	<u>Philadelphia, PA</u>	<u>1979-1981</u>	<u>Resident</u>
<u>University of Pennsylvania Hospital</u>	<u>Philadelphia, PA</u>	<u>1981-1983</u>	<u>Fellow</u>
<u>University of Pennsylvania</u>	<u>Philadelphia, PA</u>	<u>1981-1983</u>	<u>Clinical Scholar</u>
<u>Academic Administration and Health Policy of the Association of Academic Health Centers</u>	<u>Washington, DC</u>	<u>1996</u>	<u>Scholar</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information)

7. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
Health Research and Educational Trust	Cathy Wesley	One N. Franklin, 30 <sup>th</sup> Floor Chicago, IL 60606	312-422-2600
National Academy of Social Insurance	Marilyn Moon	1776 Massachusetts Ave NW Suite 615 Washington, DC 20036	202-452-8097
National Health Council	Kirk Rafdal	1730 M Street NW, Suite 500 Washington, DC 20036	202-785-3910
Institute of Medicine's Clinical Research Roundtable	Harvey V. Fineberg	500 Fifth Street, NW Washington, DC 20001	202-334-2352
Research!America	Kyndra Fuller	1101 King Street, Suite 520 Alexandria, VA 22314	703-739-2577
Partnership on Prevention	Gshermaine McMillan	1015 18 <sup>th</sup> St., NW, Suite 200 Washington, DC 20036	202-833-0009
Alliance for Health Reform	Nancy M. Peavy	1444 Eye Street, Suite 910 Washington, DC 20005	202-789-6573
HealthTrac Foundation	Sarah Freis	135 Farm Road Woodside, CA 94062	650-529-9533
Rockefeller University Board of Trustees	Paul Nurse	1230 York Avenue New York, NY 10021	212-327-8000
Institute of Medicine of the National Academy of Science	Harvey V. Fineberg	500 Fifth Street, NW Washington, DC 20001	202-334-2352
Advisory Board of the Bioethics Institute, Johns Hopkins University	Ruth Faden	100 N. Charles St., Suite 740 Baltimore, MD 21201	410-516-8500
National Institute of Health's Blue Ribbon Panel of Conflict of Interests	Raynard S. Kington, MD	9000 Rockville Pike Bethesda, MD 20892	301-496-4000
Secretary's Advisory Committee on Genetics, Health, and Society	Sarah Carr	6705 Rockledge Drive Suite 750, MSC 7985 Bethesda, MD 20892	301-496-9838

8. Present or proposed position with the applicant entity. Senior Vice President of Consumer Health and Medical Care Advancement

9. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending  
 Dates (MM/YY): 2000-Present Employer's Name: UnitedHealth Group Incorporated  
 Address: 9900 Bren Road East City: Minnetonka State: Minnesota  
 Country: USA Postal Code: 55343 Phone: 952-936-1253 Offices/Positions Held: Sr VP of Consumer Health & Medical Care Advancement  
 Fax: 952-936-7430 Supervisor/Contact: Stephen J. Hemsley

Beginning/Ending  
Dates (MM/YY): 1997-2000 Employer's Name: American Medical Association  
Address: 515 N. State Street City: Chicago State: Illinois  
Country: USA Postal Code: 60610 Phone: 800-621-8335 Offices/Positions Held: Sr VP, Professional Standards  
Fax: 312-464-5845 Supervisor/Contact: Andy Anderson, M.D.

Beginning/Ending  
Dates (MM/YY): 1991-1997 Employer's Name: Charles R. Drew University of Medicine And Science  
Address: 1731 East 120<sup>th</sup> Street City: Los Angeles State: California  
Country: USA Postal Code: 90059 Phone: 323-563-4800 Offices/Positions Held: President  
Fax: 323-563-9312 Supervisor/Contact: Margaret Govea

Beginning/Ending  
Dates (MM/YY): 1990-1991 Employer's Name: March of Dimes Birth Defects Foundation  
Address: 1275 Mamaroneck Avenue City: White Plains State: New York  
Country: USA Postal Code: 10605 Phone: 914-428-7100 Offices/Positions Held: Sr VP for Programs  
Fax: 914-428-8203 Supervisor/Contact: Ann Umemoto

Beginning/Ending  
Dates (MM/YY): 1986-1990 Employer's Name: District of Columbia  
Address: 825 North Capitol Street, NE City: Washington State: DC  
Country: USA Postal Code: 20002 Phone: 202-671-5000 Offices/Positions Held: Commissioner of Public Health  
Fax: 202-442-4788 Supervisor/Contact: David Rivers

Beginning/Ending  
Dates (MM/YY): 1985-1986 Employer's Name: District of Columbia  
Address: 825 North Capitol Street, NE City: Washington State: DC  
Country: USA Postal Code: 20002 Phone: 202-671-5000 Offices/Positions Held: Deputy Commissioner Of Public Health  
Fax: 202-442-4788 Supervisor/Contact: David Rivers

10.a. Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details. N/A

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? No If yes, give details. N/A

11. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. Attach additional pages if the space provided is insufficient.

Organization/Issuer of License Pennsylvania State Board of Medicine Address PO Box 2649  
City Harrisburg State/Province PA Country USA Postal Code 17105  
License Type License to Practice Medicine License # Unknown Date Issued (MM/YY) Unknown  
Date Expired (MM/YY) Unknown Reason for Termination Expired/Not Renewed  
Non-insurance Regulatory Phone Number (if known) 717-783-1400

Organization/Issuer of License District of Columbia Dept. of Health Licensing Administration – Board of Medicine Address 717 14<sup>th</sup> Street, NW, Suite 600  
City Washington State/Province DC Country USA Postal Code 20005  
License Type License to Practice Medicine License # Unknown Date Issued (MM/YY) Unknown  
Date Expired (MM/YY) Unknown Reason for Termination Expired/Not Renewed  
Non-insurance Regulatory Phone Number (if known) 888-204-6193

12. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond “no” to the question. Have you ever:

- a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? No
- b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? No
- c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? No
- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No
- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? No
- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? No
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? No
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No

If the response to any question above is answered “Yes”, please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

N/A

13. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term “control” (including the terms “controlling,” “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. None

If any of the stock is pledged or hypothecated in any way, give details. N/A

14. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. No

If any of the shares or stock are pledged or hypothecated in any way, give details.

N/A

15. Have you ever been adjudged a bankruptcy? No If yes, provide details. N/A

16. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? Yes

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

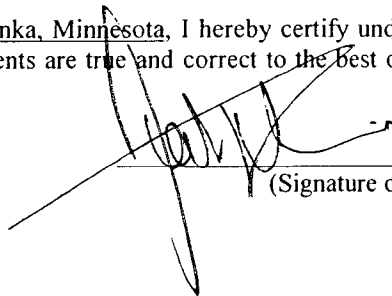
UnitedHealth Group Incorporated and its affiliates are a complex organization, operating in a highly regulated environment, engaged in a myriad of transactions which may from time to time result in fines or other disciplinary action which are non-material.



Applicant Name: UnitedHealth Group Incorporated

NAIC No: None  
FEIN: 41-1321939

Dated and signed this 15<sup>th</sup> day of September, 2005, at Minnetonka, Minnesota, I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

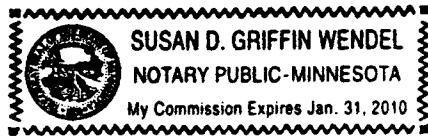
  
\_\_\_\_\_  
(Signature of Affiant)

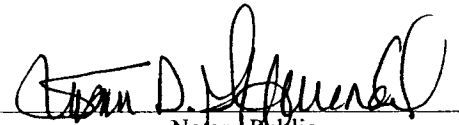
State of Minnesota                      County of Hennepin

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of September 2005, By Reed Vaughn Tuckson, M.D., and

- who is personally known to me, or
- who produced the following identification: \_\_\_\_\_

[SEAL]



  
\_\_\_\_\_  
Notary Public  
Susan D. Griffin Wendel  
Printed Notary Name

My Commission expires 1/31/2010

# **EXHIBIT 7**

**Affidavit of Steven DeRaleau**

State of Wisconsin

County of Brown

The Affiant, Steven DeRaleau, being first duly sworn, under oath, hereby states as follows:

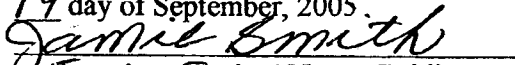
1. I am the President and Chief Executive Officer of American Medical Security Life Insurance Company ("AMSLIC"), and I submit this affidavit in connection with the response of UnitedHealth Group Incorporated to the September 6, 2005 letter of the Wisconsin Office of the Commissioner of Insurance (the "Supplemental Response");
2. I affirm my responsibility with respect to ensuring AMSLIC's compliance with all applicable Wisconsin Statutes and regulations including, but not limited to, ss. 601.42, 601.43, and 601.44, Wis. Stats., and s. Ins 6.80, Wis. Adm. Code;
3. I affirm my awareness that AMSLIC's failure to comply with all applicable Wisconsin Statutes and regulations, including but not limited to, ss. 601.42 and 601.44, Wis. Stats., and s. Ins 6.80, Wis. Adm. Code, may result in forfeiture, and that failure to comply with s. 601.43, Wis. Stats., may result in rehabilitation or liquidation; and
4. I affirm my commitment to ensure AMSLIC's compliance with all applicable Wisconsin Statutes and regulations including, but not limited to, ss. 601.42, 601.43, and 601.44, Wis. Stats., and s. Ins 6.80, Wis. Adm. Code.

Dated at Green Bay, Wisconsin this 19<sup>th</sup> day of September, 2005.

  
\_\_\_\_\_  
Steven DeRaleau

Subscribed and sworn to before me this

19 day of September, 2005.

  
\_\_\_\_\_  
Jamie Smith Notary Public

Print Name

My commission expires 12-9-07

# **EXHIBIT 11**

**FORM E**  
**CONSENT TO JURISDICTION STATEMENT**

Filed with the Office of the Commissioner of Insurance  
of the state of Wisconsin  
BY

UnitedHealth Group Incorporated

Date: September 15, 2005

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

Juanita B. Luis  
Legal Department (MN008-T202)  
UnitedHealth Group Incorporated  
9900 Bren Road East  
Minnetonka, MN 55343  
(952)936-1679

With copies to:

Thomas A. Roberts, Esq.  
Joseph T. Verdesca, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
telephone: (212) 310-8000  
facsimile: (212) 310-8007  
e-mail: [thomas.roberts@weil.com](mailto:thomas.roberts@weil.com)  
[joseph.verdesca@weil.com](mailto:joseph.verdesca@weil.com)

Bruce G. Arnold  
Whyte Hirschboeck Dudek S.C.  
555 East Wells Street, Suite 1900  
Milwaukee, WI 53202-3819  
Telephone: (414) 273-2100  
Facsimile: (414) 223-5000  
[barnold@whdlaw.com](mailto:barnold@whdlaw.com)

and

Thomas M. Pyper  
Whyte Hirschboeck Dudek S.C.  
One East Main Street, Suite 300  
Madison, WI 53703-3300  
Telephone: (608) 255-4440  
Facsimile: (608)258-7138  
[tpyper@whdlaw.com](mailto:tpyper@whdlaw.com)

**CONSENT TO JURISDICTION**

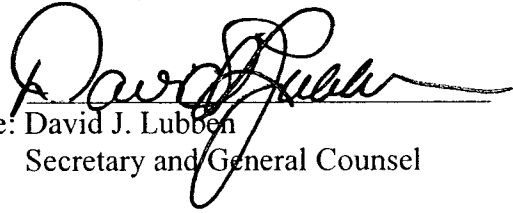
UnitedHealth Group Incorporated, intending to become an affiliate of American Medical Security Life Insurance Company, an insurer authorized to do business in the State of Wisconsin, pursuant to the requirements of ch. 617, Stats., does hereby consent to the jurisdiction of the Commissioner of Insurance and the courts of the state of Wisconsin.

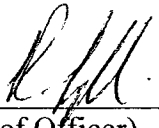
**SIGNATURE**

~~UnitedHealth Group Incorporated~~ has caused this statement to be duly signed on its behalf in the city of Minnetonka and state of Minnesota on the 15th day of September, 2005.

UnitedHealth Group Incorporated

(SEAL)

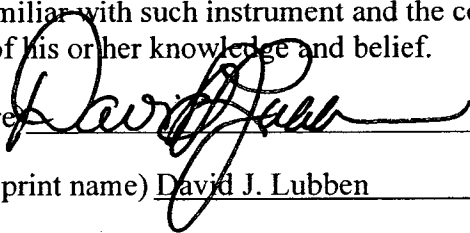
BY   
Name: David J. Lubben  
Title: Secretary and General Counsel

Attest:   
\_\_\_\_\_  
(Signature of Officer)

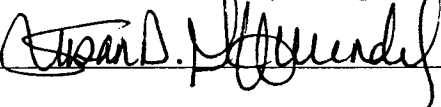
Assistant Secretary and Associate General Counsel  
(Title)

**CERTIFICATION**

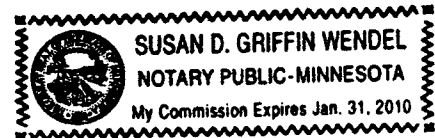
The undersigned deposes and says that he or she has duly executed the attached statement dated September 15, 2005, for and on behalf of UnitedHealth Group Incorporated and that he or she is the Secretary and General Counsel of such company, and that he or she is authorized to execute and file such instrument. Deponent further says that he or she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge and belief.

(Signature)   
\_\_\_\_\_  
(Type or print name) David J. Lubben  
\_\_\_\_\_

Subscribed and sworn to this 15th day of September, 2005,

Notary Public   
\_\_\_\_\_

My Commission expires January 31, 2010



**FORM E**  
**CONSENT TO JURISDICTION STATEMENT**

Filed with the Office of the Commissioner of Insurance  
of the state of Wisconsin

BY

Point Acquisition LLC

Date: September 20, 2005

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

Juanita B. Luis  
Legal Department (MN008-T202)  
UnitedHealth Group Incorporated  
9900 Bren Road East  
Minnetonka, MN 55343  
(952)936-1679

With copies to:

Thomas A. Roberts, Esq.  
Joseph T. Verdesca, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
telephone: (212) 310-8000  
facsimile: (212) 310-8007  
e-mail: [thomas.roberts@weil.com](mailto:thomas.roberts@weil.com)  
[joseph.verdesca@weil.com](mailto:joseph.verdesca@weil.com)

Bruce G. Arnold  
Whyte Hirschboeck Dudek S.C.  
555 East Wells Street, Suite 1900  
Milwaukee, WI 53202-3819  
Telephone: (414) 273-2100  
Facsimile: (414) 223-5000  
[barnold@whdlaw.com](mailto:barnold@whdlaw.com)

and

Thomas M. Pyper  
Whyte Hirschboeck Dudek S.C.  
One East Main Street, Suite 300  
Madison, WI 53703-3300  
Telephone: (608) 255-4440  
Facsimile: (608) 258-7138  
[tpyper@whdlaw.com](mailto:tpyper@whdlaw.com)

CONSENT TO JURISDICTION

Point Acquisition LLC, intending to become an affiliate of American Medical Security Life Insurance Company, an insurer authorized to do business in the State of Wisconsin, pursuant to the requirements of ch. 617, Stats., does hereby consent to the jurisdiction of the Commissioner of Insurance and the courts of the state of Wisconsin.

SIGNATURE

Robert W. Oberrender has caused this statement to be duly signed on its behalf in the city of Minnetonka and state of Minnesota on the 20th day of September, 2005.

Point Acquisition LLC

(SEAL)

BY

Robert W. Oberrender

Name: Robert W. Oberrender

Title: Treasurer

Attest:

David [Signature]  
(Signature of Officer)  
Assistant Secretary  
(Title)

CERTIFICATION

The undersigned deposes and says that he or she has duly executed the attached statement dated September 20, 2005, for and on behalf of Point Acquisition LLC and that he or she is the Treasurer of such company, and that he or she is authorized to execute and file such instrument. Deponent further says that he or she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge and belief.

(Signature) Robert W. Oberrender

(Type or print name) Robert W. Oberrender

Subscribed and sworn to this 20<sup>th</sup> day of September, 2005

Notary Public Susan Marie Severance  
My Commission expires January 31, 2010

