

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Proposed Reorganization of)	Order of Exemption
the insurance holding company system of)	
UnitedHealthcare of Oregon, Inc.)	Case No. INS 12-06-003

INTRODUCTION

By a letter dated March 8, 2012, UnitedHealth Group, Incorporated (“UHG”) filed a request for exemption from the provisions of Oregon Revised Statutes (ORS) 732.521(1) pursuant to ORS 732.521(2) with regard to a proposed reorganization of its holding company system.

United Healthcare of Oregon, Inc. (“United of OR”) is an Oregon domestic stock corporation licensed under ORS chapter 750 to transact business in Oregon as a health care service contractor. United of OR’s outstanding stock is 100% owned by PacifiCare Health Plan Administrators, Inc. (“PHPA”).

PHPA is a holding company domiciled in Indiana. PHPA owns 100% of 11 companies, most of which are insurers domiciled in various states. PHPA’s outstanding stock is 100% owned by PacifiCare Health Systems, LLC (“PHS”).

PHS is a holding company domiciled in Delaware. PHS does not have any holdings in addition to PHPA. PHS is 100% owned by UHG.

UHG is a Minnesota domiciled corporation that is traded on the New York Stock Exchange. UnitedHealth Group, Inc. (“UHG”) is the ultimate parent of United of Oregon, PHPA, and PHS. UHG also owns 100% of United HealthCare Services, Inc. (“UHS”).

UHS is a Minnesota domiciled corporation. UHS does not own shares for any company within the UnitedHealth Group.

FACTS PROVIDED

Under the proposed Reorganization, PHPA and PHS will merge into UHS and UHS will be the surviving entity. After the proposed Reorganization, UHS will directly control United of OR. UHG will remain the ultimate controlling party of United of OR.

UHG has filed similar Form A exemption requests with the respective domiciliary regulators for each company included in the PHPA Group and affected by the proposed Reorganization.

UHG has represented that the purpose of the Reorganization is to streamline processes and save expenses by eliminating PHPA and PHS.

UHG has represented that the Reorganization is not being entered into for the purpose of, or having the effect of, changing or influencing the control over United of OR. There are no plans for changes to the management and board oversight of United of OR by UHS subsequent to the Reorganization. United of OR's Board of Directors and officers will not change as a result of the Reorganization. The Reorganization will not require any changes to any existing intercompany agreements.

The effective date of the Reorganization is anticipated to be July 1, 2012.

On the basis of the request and in specific reliance on the representations made to the Director by UHG, the Director makes the following:

CONCLUSION OF LAW

The proposed Reorganization does not constitute a change of control and is not a transaction contemplated within the purpose of ORS 732.521(1). The proposed Reorganization thereby meets the requirements for exemption from the provisions of ORS 732.521(1) pursuant to ORS 732.521(2)(b).

ORDER

Based on the foregoing findings of fact and for good cause appearing, it is hereby ordered that an exemption from the provisions of ORS 732.521(1), pursuant to ORS 732.521(2)(b), be granted regarding the proposed Reorganization of the holding company system of UnitedHealthcare of Oregon, Inc., UnitedHealth Group, Inc.

Issued this 21st day of June 2012.


Louis Savage
Insurance Commissioner