



HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

UnitedHealthcare Insurance Company of Ohio

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 73518 Employer's ID Number 31-1169935

Licensed as business type:

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 02/20/1986 Commenced Business 07/01/1991

Statutory Home Office 9200 Worthington Road, Westerville, OH 43082
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office _____ 9200 Worthington Road _____
Westerville, OH 43082 _____, _____ 614-410-7000
(City or Town, State and Zip Code) _____ (Area Code) (Telephone Number)

Mail Address 185 Asylum Street 4th Floor, Hartford, CT 06103
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 9200 Worthington Road
(Street and Number)
Westerville, OH 43082 , 614-410-7000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.unitedhealthgroup.com

Statutory Statement Contact Peter A Tassinari, 860-702-6201
(Name) (Area Code) (Telephone Number)
peter_a_tassinari@uhc.com, 860-702-5792
(E-mail Address) (FAX Number)

OFFICERS

President, CEO, Chairman Robert Charles Falkenberg Assistant Treasurer Cecilia Ann Walpole-Griffin
Secretary Jeffrey Ryan Tredway CFO Richard Gordon Dunlop

OTHER

OTHER

Timothy Gilbert Caron Assistant Secretary	Mary Lynn Stanislaw Assistant Secretary	Robert Worth Oberrender Treasurer
Juanita Bolland Luis Assistant Secretary	Michelle Marie Huntley Dill Assistant Secretary	Paul Timothy Runice Assistant Treasurer
Thomas Shaun McGlinch Assistant Treasurer	Craig Charles Anderson Vice President, Assistant Treasurer	

DIRECTORS OR TRUSTEES

Leonard A Wilkerson D.O. Jerome Paul Brophy Jr. Richard Gordon Dunlop
David Scott Luby Robert Charles Falkenberg

State of _____ SS: _____
County of _____

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.

Robert Charles Falkenberg
President, CEO, Chairman

Jeffrey Ryan Tredway
Secretary

Cecilia Ann Walpole-Griffin
Assistant Treasurer

Subscribed and sworn to before me this
____ day of ____

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.....

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of UnitedHealthcare Insurance Company of Ohio (the Company) are presented on the basis of accounting practices prescribed or permitted by the State of Ohio Division of Insurance (the Department).

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Ohio, for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under Ohio Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) in effect for the accounting periods covered in the financial statement.

1-8. No significant differences exist between the statutory practices prescribed or permitted by the State of Ohio and those prescribed or permitted by the NAIC SAP which would materially affect the statutory basis capital and surplus.

A reconciliation of the Company's net income and capital and surplus for the differences between the State of Ohio basis and NAIC SAP is shown below (in thousands):

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
<u>Net Income:</u>		
1. State of Ohio basis	\$ 3,314	\$ 34,253
2. State Prescribed Practices	-	-
3. State Permitted Practices	-	-
4. NAIC SAP basis	<u>\$ 3,314</u>	<u>\$ 34,253</u>
<u>Statutory Capital & Surplus:</u>		
5. State of Ohio basis	\$ 81,473	\$ 78,194
6. State Prescribed Practices	-	-
7. State Permitted Practices	-	-
8. NAIC SAP basis	<u>\$ 81,473</u>	<u>\$ 78,194</u>

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 – Investments

A. No significant change.

B. No significant change.

C. No significant change.

D. Loan-Backed Securities

1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from an external data source vendor.

NOTES TO FINANCIAL STATEMENTS

- 2) The Company did not recognize other-than-temporary impairments on mortgage-type investments as of March 31, 2011.
- 3) The Company did not have mortgage-type investments with an other-than-temporary impairment to report by CUSIP as of March 31, 2011.
- 4) The Company did not have any impaired securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of March 31, 2011.

The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value.

- E. No significant change.
- F. No significant change.
- G. No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Policies with effective dates on or after July 1, 2010 have been migrating upon renewal to UnitedHealthcare Insurance Company (UHIC), the parent of the Company. The network, product offering, and services provided are equivalent and clients move seamlessly to the parent on a shared operating platform. Migration will continue through the 2nd quarter of 2011 and will be followed by an adequate claim run-off period. Management has completed an evaluation of disposition options for the Company, and plans to merge it into UHIC, after obtaining approval from the regulatory authorities. A formal request for approval from regulatory authorities is being prepared for submission by the end of the 2nd quarter 2011.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

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

NOTES TO FINANCIAL STATEMENTS

- A. The Company did not have any transfers of receivables reported as sales as of March 31, 2011 or December 31, 2010.
- B. The Company did not have any transfer and servicing of financial assets as of March 31, 2011 or December 31, 2010.
- C. No transactions involving wash sales of securities with an NAIC designation of 3 or below or unrated securities occurred as of March 31, 2011 or the year ended December 31, 2010.

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

No significant change.

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

No significant change.

Note 20 – Fair Value Measurement

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in inactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments (investments) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services, the Company has not historically adjusted the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

NOTES TO FINANCIAL STATEMENTS

The following table presents information about the Company's financial assets that are measured and reported at fair value at March 31, 2011, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values (in thousands):

	2011			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Fair Value
Municipalities and local agency	\$ -	\$ 1,044	\$ -	\$ 1,044
Total bonds and short-term investments,	\$ -	\$ 1,044	\$ -	\$ 1,044

There were no transfers between Levels 1 and 2 as of March 31, 2011 and December 31, 2010.

The Company did not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2010.

The Company does not have any financial assets with a fair value hierarchy of level 3.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables at March 31, 2011 and December 31, 2010 (in thousands):

	2011		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (22,405)	\$ (22,405)
Paid claims, net of health care receivables	4,718	18,639	23,358
End of year claim reserve	<u>10,189</u>	<u>936</u>	<u>11,125</u>
Incurred claims excluding the change in health care receivables	14,907	(2,829)	12,078
Beginning of year health care receivables		624	624
End of year health care receivables	<u>(182)</u>	<u>(246)</u>	<u>(427)</u>
Total incurred claims	<u>\$ 14,726</u>	<u>\$ (2,451)</u>	<u>\$ 12,275</u>

NOTES TO FINANCIAL STATEMENTS

	2010		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (38,132)	\$ (38,132)
Paid claims, net of health care receivables	238,399	30,009	268,408
End of year claim reserve	21,479	926	22,405
Incurred claims excluding the change in health care receivables	259,877	(7,196)	252,681
Beginning of year health care receivables		617	617
End of year health care receivables	(598)	(26)	(624)
Total incurred claims	<u>\$ 259,279</u>	<u>\$ (6,605)</u>	<u>\$ 252,674</u>

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables at December 31, 2010 and December 31, 2009, exceeded actual claims incurred through March 31, 2011 and December 31, 2010, respectively, related to prior years by approximately \$2,451 and \$6,605, respectively. The primary drivers consist of favorable development as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves.

The Company incurred claims adjustment expenses (CAE) of approximately \$926 and \$8,349 as of March 31, 2011 and December 31, 2010, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its management agreement.

The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve as of March 31, 2011 and December 31, 2010 (in thousands):

	2011	2010
Total claims adjustment expenses incurred	\$ 926	\$ 8,349
Less current year unpaid claims adjustment expenses	(119)	(281)
Add prior year unpaid claims adjustment expenses	281	517
Total claims adjustment expenses paid	<u>\$ 1,088</u>	<u>\$ 8,585</u>

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 – Anticipated Salvage and Subrogation

No significant change.