

EXHIBIT 1

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION

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Las Vegas, Nevada 89101

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June 6, 2011

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Counsel for UnitedHealth Group Incorporated

RE: *State of Nevada vs. UnitedHealth Group Incorporated and Sierra Health Services, Inc., Case 2:08-cv-00233-JCM-RJJ District of Nevada and Fiserv Nevada*

Arthur and Daniel,

This letter memorializes the Agreement between Plaintiff State of Nevada, through its Attorney General ("Nevada"), and Defendant UnitedHealth Group, Incorporated ("United") regarding Nevada's allegations and/or concerns that United did not comply with the Stipulated Final Judgment ("Judgment") and the Hold Separate and Asset Preservation Stipulation and Order ("Order") entered in the above case.

Settlement Agreement ("Agreement")

A. Allegations

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1. In 2007 and early 2008, Nevada investigated United's proposed acquisition of Sierra Health Services, Inc. ("Sierra") to determine whether this acquisition violated federal and state antitrust laws. Nevada and United negotiated a resolution regarding the United/Sierra transaction which resulted in Nevada commencing the above action on February 25, 2008. The United States District Court District of Nevada ("Court") approved the Order on March 7, 2008 and the Judgment on October 8, 2008. Pending their approval, United agreed to comply with the Order and Judgment.

2. During Nevada's United/Sierra transaction investigation, United acquired Fiserv, Inc.'s health-related businesses ("Fiserv Health"). Fiserv Health offered, among other services, third party administration to self-funded employers in processing the health care provider claims incurred by the employers' employees as part of an employee benefits package. As a result of the Fiserv Health transaction, United became one of the largest third party administrators for such services in the United States. Nevada's concerns about the competitive effects of the Fiserv Health transaction in the State of Nevada were addressed by United's proposal that the United/Fiserv Health transaction exclude Fiserv Health's assets (e.g. customer accounts) that had a Nevada situs. The Nevada book of business was to be held by Fiserv Nevada, Inc. ("Fiserv Nevada"), a subsidiary of Fiserv, Inc.; an administrative services agreement was also entered between United and Fiserv Nevada which permitted United to assist Fiserv Nevada with the services Fiserv Nevada provided to its customers. Nevada required assurance that United would not acquire or merge with Fiserv Nevada, and additional restrictions on joint venture activity. The final language that Nevada and United agreed to on these points was reflected as Section XI(M) in the United/Sierra Judgment as follows:

"Defendants are prohibited from acquiring an interest in, entering into a joint venture which would result in integration of assets or operations in whole or in part of, or merging with, Fiserv Nevada. This provision shall not prohibit maintenance and performance of any agreement for the performance of administrative services by Defendants for Fiserv Nevada."

The United/Sierra Judgment also provided that Nevada could investigate and initiate a Court proceeding alleging that United did not comply with any term specified in the Judgment or Order, including the Judgment term involving Fiserv Nevada above.

3. In September 2009, after learning that one or more Fiserv Nevada customer accounts were transferred to United's Fiserv Health subsidiary (since renamed UMR, Inc. or "UMR"), Nevada initiated an investigation of United's compliance with the Judgment's Fiserv Nevada restriction. United cooperated during the investigation, which included Nevada's review of about 80,000 pages of relevant documents from

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United and third parties, economic analysis, and many interviews. As a result of this investigation, Nevada alleges that United, through its UMR subsidiary, did not comply with the Fiserv Nevada Judgment term, and further alleges the following:

- a. United acquired, through a series of assignments, all but one of Fiserv Nevada's active customer accounts; moreover, United exerted near total control on all of these accounts before the assignments occurred, which confused Fiserv Nevada's customers and exceeded the scope of the administrative services agreement between United and Fiserv Nevada;
- b. United acquired or controlled all of Fiserv Nevada's employees;
- c. United acquired virtually all of Fiserv Nevada's other assets, including Fiserv Nevada's office space, equipment, and data;
- d. As a result of these efforts, Fiserv Nevada ceased to do business, as demonstrated by Fiserv Nevada surrendering its license to perform third party administration of insurance in the State of Nevada.

4. Furthermore, the alleged acquisition, merger, and/or joint venture efforts by United began shortly after Nevada commenced the United/Sierra action on February 25, 2008. United completed these efforts by late 2008. Therefore, United's assertion to Nevada that United would not acquire, merge with, or engage in certain joint venture activities with Fiserv Nevada was allegedly not true.

5. Moreover, through the investigation of United's compliance with the Judgment involving Fiserv Nevada, Nevada examined these additional compliance issues with the Judgment and Order:

- a. The coordination of marketing and sales efforts between UMR and Sierra in early 2008, which may have been inconsistent with the Order;
- b. Potential inappropriate use of confidential data belonging to Fiserv Nevada's customers by UMR for marketing and sales purposes, which may have facilitated United's alleged acquisition, merger, and/or joint venture efforts of or with Fiserv Nevada;
- c. Whether there were incomplete certifications of compliance with the Judgment involving the Fiserv Nevada term.

B. Agreement

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Nevada and United agree as follows, which Nevada finds is in the public interest:

1. This Agreement is entered into voluntarily and for the purpose of resolving Nevada's claims relating to the information contained in Section A of this Agreement. However, United denies it violated the Judgment and Order as alleged in Section A of this Agreement.

2. Payment: United will pay Nevada a monetary settlement, inclusive of penalties and fines and exclusive of fees and costs (including attorneys fees), in the amount of \$1,000,000.00, to resolve the matters covered by this Agreement. Payment shall be made within twenty (20) days of the Court's entry of the Amended Judgment referred to in Paragraph B(3) below. Payment of fees and costs shall be made pursuant to Judgment term Section XI(N), and in accordance with the fee schedule in effect prior to entry of the Amended Judgment (as defined below).

3. Amended Judgment: United consents to the filing and the Court's entry of an Amended Judgment in *State of Nevada vs. UnitedHealth Group Incorporated and Sierra Health Services, Inc., Case 2:08-cv-00233-JCM-RJJ District of Nevada* ("Amended Judgment"), attached as Exhibit A to this Agreement. United also agrees to comply with any amendments to the Judgment after United's execution of this Agreement, but prior to the entry of the Amended Judgment by the Court. By way of summary only, the amendments are as follows:

- a. Removal of the Fiserv Nevada restrictions given Nevada's assertion that its prohibitions have been made moot (Section XI(M));
- b. Extended notification of proposed acquisitions or mergers by United which significantly involve Nevada health care markets (Section XI(K));
- c. Modified confidentiality policies regarding the protection of proprietary rate information and other confidential data belonging to customers of United based in Nevada (Section XI(D));
- d. Extended and modified annual compliance reporting, including submission of certifications under oath that any reports are accurate, complete, and do not omit information reasonably calculated to inform Nevada of United's compliance or non-compliance (Section XIII(C));
- e. Extended and modified compliance investigation procedures, including compliance reporting at Nevada's request, an increase of the hourly rate for

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investigative fees, and changes to the meet and confer process prior to Nevada instituting a Court proceeding involving a Judgment violation (Sections XIII(D), XI(N), XII(F));

- f. Clarifying that monetary awards resulting from Court proceedings interpreting Judgment violations, as well as resolutions of compliance investigations, shall be provided to any of the Judgment's existing Charitable Contribution grants, or any government or non-profit health related program in the State of Nevada (Section XII(E));
- g. Additional clarification of Judgment terms, including United's duties when it cooperates with the Nevada Governor's Office of Consumer Health Assistance and the scope of certain Charitable Contribution grants (Section XI(H), Schedule A to Exhibit C).

4. Release: Upon the Court's entry of the Amended Judgment attached as Exhibit A to this Agreement and upon receipt of the \$1,000,000.00 payment described in Paragraph B(2) above, Nevada shall be deemed to have released, and to have agreed not to pursue further any claim against United, including any of its officers, directors, shareholders, parents, subsidiaries, business units, affiliates, agents, representatives, predecessors, successors, and assigns, and any of its former or current employees, relating to any information, compliance issues, or allegations reflected in Section A of this Agreement. Moreover, any pending investigation relating to any information or compliance issues reflected in Section A of this Agreement shall be deemed closed with respect to United, including any of its officers, directors, shareholders, parents, subsidiaries, business units, affiliates, agents, representatives, predecessors, successors, and assigns, and any of its former or current employees.

5. General Provisions

- a. This Agreement does not confer any rights upon any persons or entities other than Nevada and United and its affiliates.
- b. United consents to the jurisdiction of the state courts of Nevada to enforce this Agreement, and agrees that State of Nevada laws apply to the interpretation of this Agreement. The exception to state court jurisdiction is that jurisdiction resides with the Court for any action which relates to enforcement or interpretation of the Amended Judgment or defenses/waivers which arise from the releases in Section B(4) of this Agreement. Nevada and United agree to comply with Amended Judgment Sections XIII(F) and XII(F) prior to any Court

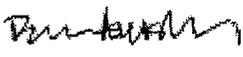
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enforcement action involving this Agreement. As part of any future court action, Nevada and United consent that the court shall have the authority to award equitable relief, including specific performance, but not damages against Nevada. Also, if any part of this Agreement is adjudged by a court to be unenforceable, the remaining provisions of this Agreement shall stay in full force and effect.

- c. This Agreement may be modified by the mutual agreement of Nevada and United. Any modification shall be in writing and signed by authorized designated representatives of Nevada and United.
- d. This Agreement may be executed in counterparts.

Sincerely,

CATHERINE CORTEZ MASTO, Attorney General
ERIC WITKOSKI, Consumer Advocate

By: 
BRIAN ARMSTRONG, Senior Deputy Attorney General

AGREED: UnitedHealth Group Incorporated

Date: 6/20/11

By: Arthur N. Lerner

Name: Arthur Lerner, Counsel to United Health Group Incorporated.

Title: Partner, Crowell & Moring LLP